

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF COLUMBIA, SOUTH CAROLINA

FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the City's Finance Department

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION



We Are Columbia

January 26, 2023

The Honorable Daniel J. Rickenmann, Mayor
The Honorable Members of the Columbia City Council
The Citizens of the City of Columbia

Ladies and Gentlemen:

We are pleased to present the Annual Comprehensive Financial Report ("ACFR") of the City of Columbia, South Carolina (the "City") for the fiscal year ended June 30, 2022. South Carolina law requires that all local governments publish a complete set of audited financial statements, presented in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The law further requires that these financial statements be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR has been prepared by the City in accordance with these principles and standards. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion & Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe that the data, as presented, is accurate in all material respects, presents fairly the City's financial position and results of operations, as measured by the financial activity of its various funds. To provide a reasonable basis for making these representations, the City has designed an internal control framework that is designed both to protect the City's assets from theft, loss, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements that are in conformance with GAAP. The City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, that the ACFR is complete and reliable in all material respects.

The City's financial statements have been audited by Scott and Company LLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended June 30, 2022, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors rendered an unmodified opinion that the City's financial statements for the year ended June 30, 2022, are presented fairly and in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The Single Audit was performed in compliance with the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Uniform Guidance governing Single Audit engagements requires the independent auditor to report not only on the fair presentation of financial statements, but also on the audited entity's



We Are Columbia

internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available on the City's website.

This report, other historical audited financial statements, other historical unaudited financial information, and operating budgets may also be accessed via the internet at www.columbiasc.gov.

City of Columbia Overview

The City, incorporated in 1786, is located 13 miles northwest of South Carolina's geographic center. The City currently occupies a land area of approximately 135 square miles with a population estimated at approximately 137,960 in the City and approximately 836,324 within the metropolitan statistical area according to the 2020 United States Census. Columbia is also combined with the Newberry and Orangeburg metropolitan areas to form the Columbia-Orangeburg-Newberry Combined Statistical area which has approximately 951,412 people according to the 2020 Census and is the second-largest combined statistical area in South Carolina. Columbia is considered the primary city of the Midlands region of South Carolina. The mission of the City is to provide high quality municipal services efficiently, effectively, and responsively to the citizens of Columbia.

The City has a council-manager form of government. The mayor and city council are elected every four years with no term limits. Elections are held in November of odd numbered years. City council consists of the mayor and six members. Four members are elected from council districts, and two members are elected at-large. City council is responsible for making policies and enacting laws, rules, and regulations in order to provide for future community and economic growth in addition to providing the necessary support for the orderly and efficient operations of city services. The Council and Mayor are elected on a non-partisan basis. City Council oversees the city manager who is the chief executive officer of the City and oversees the day-to-day operations of the City. The City Manager is responsible for carrying out policies and ordinances and directs the daily operations of the City through Manager-appointed department directors.

Primary City Functions

The City provides a full range of municipal services including police and fire protection, the maintenance of streets and other infrastructure, recreational activities and cultural events, land use and building regulations, water and wastewater treatment, storm-water operations, parking operations, and economic development. The City accounts for water and wastewater operations, parking operations and storm-water operations separately within the reporting entity, and attempts to recover the costs of these functions through user charges. In 2018, the City transitioned from being self-insured and became a member of the State Health Plan. The City is self-insured for workers' compensation and general claims liabilities. The City pays for such claims as they become due. The City engages an external party to provide an estimate of its liabilities related to these self-insured expenses.



We Are Columbia

Budget Process

South Carolina law requires that the City adopt, by ordinance, a balanced budget. The preparation of the budget is the responsibility of the City Manager who has a duty to present a budget that reflects the priorities set by City Council. The City's budget process begins in November for the forthcoming year which runs from July 1st to June 30th. In November, the departments begin to prepare operational plans. In December, budget preparation materials are distributed to the departments. In February, budgets are submitted and reviewed by City staff. The budget review continues through March. In April, budgets are presented to council. In May, public hearings on the budget are held. In June, first and second reading of the budget is held. Appropriations for capital projects are adopted by the City Council primarily on an individual basis when the project is initially approved. Budget-to-actual comparisons are provided in this report for the general fund. This comparison is presented as required supplementary information.

Economic Development

Columbia is one of the fastest growing metro areas in the Southeast. The effects of the Covid-19 pandemic had impacted the economy, however Columbia has rebounded and has an unemployment rate of 3.3% versus a prior year rate of 3.1%. The City benefits from its role as the state capital and the presence of the University of South Carolina's flagship campus, employing nearly 6,400 individuals and servicing approximately 35,000 students. The City is further stabilized by the presence of Fort Jackson, the United States Army's largest training installation, with 3,900 active duty soldiers and civilian employees, and their 15,000 family members assigned to the installation. In addition, five State agencies employ over 19,800.

Local Economy

The City is the economic engine of a growing region of South Carolina. The City is the major municipality of Richland and Lexington counties and accounts for a significant portion of the population of the two county area. Substantial concentrations of employers in government, manufacturing, education, insurance, finance, and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries, combined with the increased interest in living in urban centers and an overall cost of living that is below the national average will continue to support the City's revenue base.

Quality of Life

After a robust public planning process, the City of Columbia adopted Columbia Compass: Envision 2036 as the ten-year update to the City's comprehensive plan in August of 2020. The plan makes 125 recommendations for the City to take on, in stages, in the coming decade, as well as a number of recommendations for transportation infrastructure projects. As implementation efforts move forward, annual reporting will record these efforts and help spread awareness of the City's commitment to the plan's vision and goals. The first annual report, which covers activities during FY2020-2021, was released in January 2022. The report found that 85 of the 125 recommendations (68%) saw progress during the fiscal year. Of note, a large number of the plan's recommendations are meant to be implemented on an ongoing basis, where efforts must be a part of the daily or yearly work of the City in order to keep up with changes in the community in technology, in the economy, and more. The Annual Report can be accessed on the City's website.



We Are Columbia

The City adopted a new zoning and land development code, known as the Unified Development Ordinance was completed that went into effect August 2021. This is the first comprehensive rewrite of the regulations that govern the growth and development of Columbia since the late 1970s. The code is intended to address four main goals: create a user-friendly code, implement Plan Columbia/Columbia Compass, add context-sensitive regulations to promote "infill" development, and incorporate sustainable development.

The City of Columbia continued implementation of storm water infrastructure improvements as funded by the City's first ever "green bonds" creating a lasting investment in sustainability. The \$37.9 million Green Bond sale was certified by the Climate Bond Initiative, an independent global non-profit that rates environmentally responsible investments. Proceeds from the bonds are being used to upgrade and improve Columbia's storm water system, part of a \$95 million investment over a five-year period to address the City's flooding and storm water drainage issues.

The City of Columbia also continued the implementation of the Advanced Metering Infrastructure (AMI) project this year, reaching a milestone of 151,000 meters upgraded through 2022. This project includes the replacement of most of Columbia Water's meters. Once a meter is replaced, the new meter will report over a cellular network that will replace the manual meter reading process. Columbia Water and its customers will have access to all data collected throughout the billing period via online utility and customer portals. Installation will continue through 2023.

Major Initiatives and Financial Planning

The total fiscal year 2023 operating budget and capital budget was developed with the impact of COVID-19 continuing to cause some uncertainty in revenue. In developing its fiscal year 2023 budget, the City factored in the following key elements in the preparation of the budget:

1. Continuity of Operations
 - a. Ensuring departments have the resources required to provide city services
 - b. Restored Capital Replacement Program
2. Continuing to provide excellent day-to-day service to our community
 - a. Commitment to highest level of customer care for residents, visitors, businesses
3. Fulfilling the City's financial obligations
 - a. Debt service payments and other financial commitments
4. Address Critical Infrastructure Needs
 - a. Restored Water, Sewer and Capital Improvement Programs
 - b. Finlay Park Rehabilitation



We Are Columbia

The City's fiscal year 2023 general fund budget is approximately \$164,810,594, which is an increase of approximately \$9,266,106 or 6% from the fiscal year 2022 budget. The 2023 general fund budget does not contain a property tax millage rate increase and property tax revenues are expected to increase by \$2,126,906. The City did budget for the use of fund balance in the 2023 fiscal year budget in the amount of \$3,000,000. The use of the American Rescue Plan Act (ARPA) funds in the amount of \$2,000,000 is included in this budget. The general fund departmental expenditure budget for fiscal year 2023 totals approximately \$142,047,150.

The City projects water and sewer revenues for fiscal year 2023 to total approximately \$185,048,681, an increase of approximately \$2,483,592 or 1% over the fiscal year 2022 budgeted amounts. The City expects to maintain the target debt service coverage ratio of 2:1. Debt service expenditures are expected to account for 26% of the expected fiscal year 2023 expenditures. Operating expenditures are expected to total approximately \$104,315,138. Operating and capital expenditures are expected to focus on Clean Water 2020 programs to meet the EPA Consent Decree requirements and the phased-in implementation of an automated meter reading system. Customer care will continue to be an area of priority. Improvements will also continue in mobile field services so that water crews are better able to send and receive information remotely.

The storm water operating revenues are expected to total approximately \$16,121,055. This represents an increase of approximately \$498,301 or 3% from the prior year. The five-year rate plan increase has been suspended for the final year to allow for a thorough analysis of cash and to evaluate the project schedule in order to assess future needs. Operating and capital improvement expenditures are expected to focus on projects that meet the initiatives of alleviating nuisance flooding and promoting water quality.

Parking total revenues are expected to total approximately \$10,238,702 in fiscal year 2023. This represents an increase of \$1,135,427 or 12% from the prior year. Revenue primarily comes from the parking system, to include park meters, parking service contracts and parking garages.

The City prepares a Capital Improvement Program (CIP) which is a five-year fiscal planning document that is used to identify needed capital projects and their funding sources. The capital improvement budget is adopted annually, encompassing appropriations for the projects within the plan.

The Capital Improvement Program (CIP) for water and sewer is \$40,000,000 for fiscal year 2023. It is expected there will be \$13,000,000 in water CIP expenditures and \$27,000,000 in sewer CIP expenditures. These projects will be funded with funds on hand. Major water projects for fiscal year 2023 include water treatment plants improvements of \$5,000,000 and water quality improvements of \$8,000,000. Major sewer projects for fiscal year 2023 include capacity expansion of \$16,500,000 and rehab projects of \$3,300,000.

The CIP for storm water is \$11,000,000 and funded primarily with bond proceeds. The proposed projects are expected to improve drainage in several areas across the city.



We Are Columbia

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia, SC for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, the City has to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine the eligibility for another certificate.

The preparation of this ACFR represents the culmination of numerous efforts by many City employees. We would like to express our sincere appreciation to the City's finance staff and the City's other operating and supporting departments for making this report possible.

This ACFR reflects our ongoing commitment to the citizens of Columbia, the Columbia City Council, and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully submitted,

Teresa B. Wilson
City Manager

Jeffery M. Palen
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Columbia
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

**CITY OF COLUMBIA, SOUTH CAROLINA
CITY LEADERS
As of June 30, 2022**

Mayor

Daniel Rickenmann

Council Members

District 1
District 2
District 3
District 4
At Large
At Large

Tina Herbert
Edward H. McDowell, Jr.
William Brennan
Joe E. Taylor, Jr.
Aditi Bussells
Howard E. Duvall, Jr.

City Manager

Teresa Wilson

Assistant City Managers

Assistant City Manager for Development
Assistant City Manager Finance & Economic Svc/CFO
Assistant City Manager for Columbia Water
Assistant City Manager for Operations

Melissa Gentry-Smith, ICMA-CM, P.E
Jeff Palen
Clint Shealy, P.E.
Henry Simons, MHA

Department Directors

Chief of Staff
Budget and Program Management Office
City Attorney
Community Development
Economic Development
Emergency Communications
Emergency Management
Engineering
Finance
Fire
General Services
Human Resources
Information Technology
Municipal Court
City Clerk
Office of Business Opportunities
Parking
Parks and Recreation
Planning and Development Services
Police
Procurement & Contracts
Public Relations
Public Works
Utilities

Pamela Benjamin, CPM
Melisa Caughman, CPM
Teresa Knox
Gloria Saeed
Ryan Coleman, CEcD
Jacquelyn Richburg
Harry Tinsley
Dana Higgins
Kristine Githara
Aubrey Jenkins
Kelvin Keisler
Tiniece Jarvis, Ed.D
Sylvia White
Jessica Mangum
Erika Hammond
Melissa Lindler
Linda "Elle" Matney
Randy Davis
Krista Hampton
William "Skip" Holbrook
Sandra Wright, CPPB
Leshia Utsey
Robert Anderson
Tiffany Latimer

Development Corporation Directors

Columbia Empowerment Zone, Inc.
Columbia Housing/TN Development Corp.
Eau Claire Development Corp.

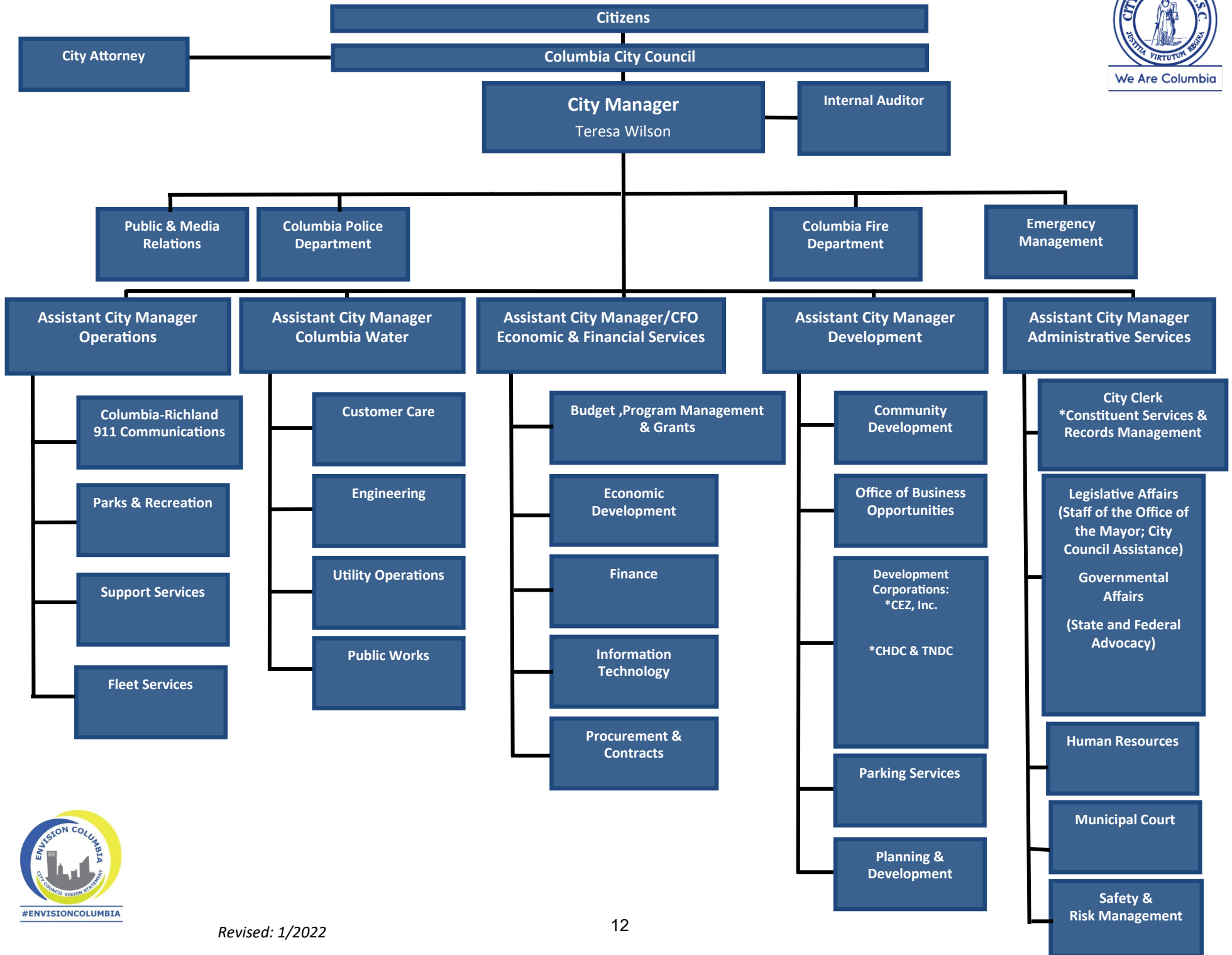
Felicia Maloney
Harrison C. Joseph III
Vacant

Other Directors

Experience Columbia SC

Bill Ellen

CITY OF COLUMBIA ORGANIZATIONAL CHART



CITY OF COLUMBIA, SOUTH CAROLINA
Finance Department
Organizational Chart

As of June 30, 2022

Finance Director
Kristine Githara

Accounting Manager
Kathryn Masewicz

Deputy Finance Director
Lakita Reed

Treasurer
Jessica Barlow, CGFO

Payroll
Crystal Minelli – Supervisor
Vacant
Jennifer Nuovo

Admin Assistant
Adrienne Jefferson

Accounts Payable
LaDonna Kelly
Jacqueline Williams
Joe Smith
Vacant

Accounts Receivable
Adriene Hopkins

Water & Sewer Billing
Maria Brown - Lead
Terell Smith

General Fund Accountant
Vacant

Water & Sewer Accountant
Tammy Smith, CGFO

**Parking & Hospitality
Accountant**
Chip Berryman

Grants
Lead – Charity Glasgow

Fixed Assets & Travel
Edith Fisher

Banking & Investments
Ginger Page, CGFO
Kembrely Williams

Credit Cards
Kimberly McKethan

Business License
Kelly Smith – Administrator

Payment Center
Galena Alford - Administrator

FINANCIAL SECTION

Independent Auditor's Report

The Honorable Daniel Rickenmann, Mayor
and Members of City Council
City of Columbia, South Carolina
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia, South Carolina (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Experience Columbia SC, which represent 58.98 percent, 70.58 percent, and 82.11 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Experience Columbia SC, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the City's Total OPEB Liability and Related Ratios, Budgetary Comparison Schedule – General Fund, Notes to Budgetary Comparison Schedule, Schedule of the City's Contributions – Pension, and Schedule of the City's Proportionate Share of the Net Pension Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules and Uniform Schedule of Court Fines, Assessments and Surcharges, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial

statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and Uniform Schedule of Court Fines, Assessments and Surcharges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note I.H. to the financial statements, the City has adopted the provisions of GASB Statement No. 87, *Leases*, as of July 1, 2021. In accordance with GASB Statement No. 87, the 2021 financial statements have not been restated to reflect this change. Our opinions are not modified with respect to this matter.

Scott and Company LLC

Columbia, South Carolina
January 26, 2023

CITY OF COLUMBIA, SOUTH CAROLINA
Management's Discussion and Analysis (Unaudited)
JUNE 30, 2022

As management of the City of Columbia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2022, as part of the overall Annual Comprehensive Financial Report (ACFR). This overview compares the year ended June 30, 2022, with the year ended June 30, 2021. The Management's Discussion and Analysis is intended to highlight significant transactions, events, and conditions, and readers are encouraged to consider the information presented here, in conjunction with the letter of transmittal, which can be found on the pages indicated in the table of contents of this report. This discussion and analysis is intended to provide a broad overview using a short-term and long-term analysis of the City's activities based on information presented in the financial report and fiscal policies that have been adopted by City Council (the "Council"). The intent of this discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, (d) identify significant deviations from the approved general fund budget, and (e) highlight significant issues in the individual funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of fiscal year 2022 by \$659,489,103. This amount represents the City's net position. The City has a balance of \$19,424,734 in unrestricted net position as of June 30, 2022.
- The City's total net position increased by \$27,333,365 (an increase of \$14,211,801 from governmental activities and an increase of \$13,121,564 from business-type activities). Total revenues of \$420,453,851 exceeded total expenses of \$393,120,486. This resulted in an increase in net position for the year ended June 30, 2022, of \$27,333,365. This increase in net position for the current year is approximately \$35,898,000 more than the prior year. This is the result of an increase of approximately \$11,298,000 in the governmental activities and \$24,600,000 in business-type activities.
- Revenues from governmental activities increased by approximately \$13,946,000 during fiscal year 2022. Local option sales tax, hospitality and admissions taxes, and accommodations tax increased by approximately \$1,151,000 or 5%, \$1,769,000 or 15%, and \$1,134,000 or 58%, respectively. Operating grants and contributions increased by approximately \$7,396,000 or 75%. In addition, revenue from donations of capital assets increased by approximately \$2,682,000 in 2022. Total governmental activities expenses incurred by the City increased by approximately \$1,337,000 during fiscal year 2022. General government expenses increased by approximately \$1,888,000 or 8%. Tourism and community development expenses increased by approximately \$1,179,000 or 7%.
- Revenues from business-type activities increased by approximately \$14,096,000 during fiscal year 2022. This was primarily due to an increase in Water and Sewer Facilities revenue. Total operating revenues increased by approximately \$19,495,000 or 12%. This increase was offset by a decrease in development contributions and capital grants of approximately \$3,754,000 or 34%. Parking Facilities Fund revenue also increased in 2022. Total operating revenues increased by approximately \$1,982,000, or 30%. The increases in business-type activities revenue were offset by a decrease in unrestricted investment earnings of approximately \$3,090,000. Total business-type activities expenses incurred by the City decreased approximately \$9,193,000 during fiscal year 2022. The decrease was primarily related to the Water and Sewer Facilities Fund. Total operating expenses decreased by approximately \$1,838,000, or 1% compared to the year ended June 30, 2021. The gain (loss) on disposal of assets increased by approximately \$1,267,000 compared to the year ended June 30, 2021. Interest and amortization expense decreased by approximately \$1,462,000 or 5%. In addition, expenses for the Stormwater Facilities Fund decreased by approximately \$1,943,000 or 15%.

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- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$114,332,641. The unassigned General Fund balance of \$41,463,199 is available for spending at the City's discretion and represents approximately 27% of the General Fund's actual expenditures and transfers out for the year ended June 30, 2022.
- The City's total net capital assets were \$1,420,045,027 as of June 30, 2022, increasing \$55,252,158 (4%). This increase was the result of additions of \$21,189,809 in governmental activities and \$95,948,374 in business-type activities offset by depreciation expense and net disposals of \$16,748,425 in governmental activities and \$45,137,600 in business-type activities.
- The City's long-term debt at June 30, 2022 totaled \$930,802,418, a net decrease of \$25,599,975 or 3% from the balance at June 30, 2021, of \$956,402,393. This net decrease was the result of \$61,407,889 in principal payments and \$3,092,086 in premium amortization. In addition, a \$9,000,000 finance lease was issued in the General Fund, and \$29,900,000 in revenue bonds were issued in the other governmental funds.
- As of June 30, 2022, the City's General Obligation bonds were rated AA+ by Standard and Poor's and AA1 by Moody's. The City's Water and Sewer Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa1 by Moody's. The City's Parking Facilities revenue bonds were rated A- by Standard and Poor's and A1 by Moody's. The City's Stormwater Facilities revenue bonds were rated AA+ by Standard and Poor's and Aa2 by Moody's.

Using This Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Columbia's financial statements. This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on the pages identified in the table of contents) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 39. For governmental funds, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.

In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Columbia.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. The government-wide financial statements provide both short-term and long-term information regarding the overall financial position of the City.

The Statement of Net Position presents information on all of the City's assets, liabilities, deferred outflows, and deferred inflows with the difference between all of the items reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the related timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused annual leave).

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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, finance, tourism and community development, public safety, parks and recreation, public services, general services, and community promotions. Governmental activities are financed primarily through property taxes, business licenses and permits, intergovernmental revenues, and federal and state grants.

The business-type activities of the City include Water and Sewer Facilities, Parking Facilities, Stormwater, Hydro-electric, Redevelopment Programs, and Parks and Recreation Camps. These activities are financed in whole or in part primarily through fees charged to external parties for goods and services.

The government-wide statements include not only the City itself (known as the primary government), but also the legally separate Public Facilities Corporation; Municipal Complex; Columbia Housing Development Corporation; Eau Claire Development Corporation; Experience Columbia SC; TN Development Corporation; and the Columbia Empowerment Zone, Inc., for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself, except for the Public Facilities Corporation and the Municipal Complex, whose statements are blended with the primary government.

The government-wide financial statements can be found beginning on page 36.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Our analysis of the City's major funds begins on page 30. The fund financial statements beginning on page 39 provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help it control and manage for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Most of the City's basic services are reported in governmental funds which focus on how money flows into and out of these funds and the balances that are left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the City's fund balances by law, creditors, and City Council. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental funds present a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide statements.

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By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

The City utilizes five generic governmental fund types (see Section I Note B in the Notes to the Financial Statements). The City maintains 17 individual governmental funds within these generic fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the county services fund, which are considered to be major funds. Data from the 15 other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these 15 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided as Required Supplementary Information for the general fund to demonstrate compliance with this budget. The governmental funds financial statements immediately follow the government-wide financial statements.

The City has a formal fund balance policy applicable to governmental funds. The policy defines fund balance categories consistent with Governmental Accounting Standards Board Statement 54, sets spending priority within the categories, and established the authority to commit or assign balances. For a full discussion of the City's fund balance policy, please refer to the Notes to the Financial Statements, Section I. G. Fund Balance.

Proprietary Funds – The City maintains two different types of proprietary funds - Enterprise Funds and Internal Service Funds.

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the business-type activities of the Water and Sewer system, the Parking system, the Stormwater system, the Hydro-electric plant, the Redevelopment Programs, and the Parks and Recreation camps.

An internal service fund is an accounting fund used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the maintenance and operation of its fleet of vehicles, its risk management function, and its support services. Because these services benefit both governmental activities and business-type functions, the net position and change in net position have been allocated between governmental activities and business-type activities in the government-wide financial statements.

Enterprise funds provide the same type of information as the business type activities in the government-wide financial statements. The City maintains six enterprise type funds. The proprietary fund financial statements provide separate information for the water and sewer facilities system and the parking facilities system which are considered to be major funds of the City. Data from the other four funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report.

Conversely, all three internal service funds are combined into a single aggregated position in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements follow the governmental fund financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Trust funds are used to account for resources received and held by the City as trustee. The accounting for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements follow the proprietary funds statements.

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Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements.

Other Information - In addition to the basic financial statements, this report also contains certain required supplementary information concerning the City's obligation to provide other postemployment benefits to its retired employees, a general fund budgetary comparison schedule to demonstrate compliance with the budget, the City's contributions to the state retirement system, and the City's proportionate share of the net pension liability of the state retirement system. Required supplementary information can be found following the notes in this report. The combining and individual fund statements, referred to earlier in connection with the nonmajor governmental and proprietary funds, are presented immediately following the required supplementary information.

Financial Analysis – Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$659,489,103 as of June 30, 2022. The City's overall financial position increased, and net position increased by \$27,333,365 during the year ended June 30, 2022. This overall increase is the result of a \$14,211,801 increase in governmental activities and a \$13,121,564 increase in business activities. Revenues from governmental activities increased by approximately \$13,946,000 during fiscal year 2022. Local option sales tax, hospitality and admissions taxes, and accommodations tax increased by approximately \$1,151,000 or 5%, \$1,769,000 or 15%, and \$1,134,000 or 58%, respectively, due to increases in property taxes and credits. Operating grants and contributions increased by approximately \$7,396,000 or 75%, primarily due to an increase in federal grant revenue. In addition, revenue from donations of capital assets increased by approximately \$2,682,000 in 2022, due to an increase in contributed assets in 2022. Total governmental activities expenses incurred by the City increased approximately \$1,337,000 during fiscal year 2022. General government expenses increased by approximately \$1,888,000, or 8%, primarily due to an increase in maintenance and service contracts and salaries. Tourism and community development expenses increased by approximately \$1,179,000 or 7%, as more tax revenue was distributed to events in 2022, due to the impact of COVID-19 on tourism in the prior year.

The increase in overall business activities change in net position is due primarily to the Water and Sewer Facilities fund. Total operating revenues increased by approximately \$19,495,000 or 12%, due to an increase in water sales and sewer service charges. This increase was offset by a decrease in development contributions and capital grants of approximately \$3,754,000 or 34%. Parking Facilities Fund revenue also increased in 2022. Total operating revenues increased by approximately \$1,982,000, or 30%, due to an increase in traffic during the year ended June 30, 2022, as COVID-19 restrictions were lifted. The increases in business-type activities revenue were offset by a decrease in unrestricted investment earnings of approximately \$3,090,000, due to changes in market performance. Total business-type activities expenses incurred by the City decreased approximately \$9,193,000 during fiscal year 2022. The decrease was primarily related to the Water and Sewer Facilities Fund. Total operating expenses decreased by approximately \$1,838,000, or 1% compared to the year ended June 30, 2021. The decrease was primarily the result of a decrease in personnel related expenses compared to fiscal year 2021. The gain (loss) on disposal of assets increased by approximately \$1,267,000 compared to the year ended June 30, 2021, based on the assets disposed and related proceeds received in each year. Interest and amortization expense decreased by approximately \$1,462,000, or 5%, due to the issuance of new revenue bonds and related refunding of bonds in the prior year. In addition, expenses for the Stormwater Facilities Fund decreased by approximately \$1,943,000 or 15%, primarily due to a decrease in professional fees. Table 1 summarizes the major categories of assets, deferred outflows, liabilities, deferred inflows, and net position for governmental activities, business type activities, and the City as a whole.

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Table 1
City of Columbia
Statement of Net Position
As of June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2022	As of June 30, 2021	As of June 30, 2022	As of June 30, 2021	As of June 30, 2022	As of June 30, 2021
Current and other assets	\$ 302,931,380	\$ 274,000,860	\$ 350,191,064	\$ 397,143,447	\$ 653,122,444	\$ 671,144,307
Capital assets, net of depreciation	272,099,339	267,657,955	1,147,945,688	1,097,134,914	1,420,045,027	1,364,792,869
Total assets	575,030,719	541,658,815	1,498,136,752	1,494,278,361	2,073,167,471	2,035,937,176
Deferred outflows of resources	85,460,017	71,323,192	96,932,871	110,474,753	182,392,888	181,797,945
Total assets and deferred outflows of resources	660,490,736	612,982,007	1,595,069,623	1,604,753,114	2,255,560,359	2,217,735,121
Long-term liabilities outstanding	453,289,074	512,217,187	921,208,062	976,022,887	1,374,497,136	1,488,240,074
Other liabilities	44,764,604	42,345,951	41,120,616	42,353,626	85,885,220	84,699,577
Total liabilities	498,053,678	554,563,138	962,328,678	1,018,376,513	1,460,382,356	1,572,939,651
Deferred inflow of resources	100,140,277	10,333,889	35,548,623	2,305,843	135,688,900	12,639,732
Net position						
Net investment in capital assets	156,647,238	160,830,895	429,469,640	431,093,455	586,116,878	591,924,350
Restricted	50,361,384	56,042,933	3,586,107	4,091,220	53,947,491	60,134,153
Unrestricted	(144,711,841)	(168,788,848)	164,136,575	148,886,083	19,424,734	(19,902,765)
Total net position	\$ 62,296,781	\$ 48,084,980	\$ 597,192,322	\$ 584,070,758	\$ 659,489,103	\$ 632,155,738

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As of June 30, 2022, the City is able to report positive net position for the government as a whole as well as for its governmental activities and business-type activities.

The largest portion of the City's net position, \$586,116,878 (89%), reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related liabilities, it should be noted that the resources needed to repay these liabilities must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, \$53,947,491 (8%), represents resources that are subject to external restrictions on how they may be used. The remaining \$19,424,734 (3%) is unrestricted.

For governmental activities, the City reported a deficit balance in unrestricted net position of \$(144,711,841). This deficit resulted primarily from the adoption of GASBS 68 and GASBS 75. GASBS 68 required the City to recognize a pension liability. GASBS 75 required the City to recognize a total OPEB liability, any related deferred outflows/inflows of resources, and a more comprehensive measure of OPEB expense for the City's OPEB plan. For business-type activities, the City reported a positive balance in unrestricted net position of \$164,136,575. The City reported a positive balance of \$41,463,199 in unassigned fund balance for the general fund as of June 30, 2022. Unrestricted fund balance represents the spendable resources available for governmental activities without externally enforceable limitation. The major contributing factors to the difference between unrestricted fund balance and unrestricted net position are changes in accrued receivables or payables, operating losses in the internal service fund operations, charges related to post-employment benefits, capital assets, debt, and expenses related to compensated absences and pension benefits.

Revenue for the City for the year ended June 30, 2022, which totaled approximately \$420,454,000, increased from the year ended June 30, 2021. The increase for the City as a whole was approximately \$28,043,000, which was an increase of 7%. Revenues for the business-type activities increased approximately \$14,096,000 (7%). This was primarily due to an increase in Water and Sewer Facilities revenue. Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$19,495,000 or 12%, due to an increase in water sales and sewer service charges due to rate increases and reopening of businesses after COVID-19. This increase was offset by a decrease in development contributions and capital grants of approximately \$3,754,000 or 34%. Parking Facilities Fund revenue also increased in 2022. Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$1,982,000 or 30%, due to an increase in traffic during the year ended June 30, 2022, as COVID-19 restrictions were lifted. The increases in business-type activities revenue were offset by a decrease in unrestricted investment earnings of approximately \$3,090,000, due to changes in market performance.

Revenues from governmental activities increased by approximately \$13,946,000 (7%) during fiscal year 2022. Local option sales tax, hospitality and admissions taxes, and accommodations tax increased by approximately \$1,151,000 or 5%, \$1,769,000 or 15%, and \$1,134,000 or 58%, respectively, due to increases in property taxes and credits. Operating grants and contributions increased by approximately \$7,396,000 or 75%, primarily due to an increase in federal grant revenue. In addition, revenue from donations of capital assets increased by approximately \$2,682,000 in 2022, due to an increase in contributed assets in 2022.

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Table 2
City of Columbia
Changes in Net Position
Years Ended June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
Revenues:						
Program revenues						
Charges for services						
General government	\$ 45,882,104	\$ 44,824,660	\$ -	\$ -	\$ 45,882,104	\$ 44,824,660
Public safety	53,542,994	52,690,415	-	-	53,542,994	52,690,415
Parks and recreation	537,830	225,924	-	-	537,830	225,924
Public services	642,409	556,079	-	-	642,409	556,079
General services	235,466	144,378	-	-	235,466	144,378
Tourism and community development	7,322	357,718	-	-	7,322	357,718
Water/sewer facilities	-	-	177,729,161	158,205,156	177,729,161	158,205,156
Stormwater facilities	-	-	17,287,609	15,593,201	17,287,609	15,593,201
Parking facilities	-	-	8,667,720	6,681,542	8,667,720	6,681,542
Redevelopment programs	-	-	876,729	618,613	876,729	618,613
Parks and recreation camps	-	-	169,102	13,063	169,102	13,063
Operating grants and contributions						
General government	1,592,173	432,671	-	-	1,592,173	432,671
Public safety	8,732,247	4,692,577	-	-	8,732,247	4,692,577
Tourism and community development	6,942,922	4,746,537	-	-	6,942,922	4,746,537
Water/sewer facilities	-	-	589,449	1,930,701	589,449	1,930,701
Stormwater facilities	-	-	383	92,670	383	92,670
Redevelopment programs	-	-	751,217	2,172,985	751,217	2,172,985
Capital grants and contributions						
General government	2,387,159	1,006,965	-	-	2,387,159	1,006,965
Water/sewer facilities	-	-	7,147,240	10,901,680	7,147,240	10,901,680
Tourism and community development	-	178,711	-	-	-	178,711
General revenues						
General property taxes	36,682,790	39,946,275	-	-	36,682,790	39,946,275
Local option sales tax	25,051,931	23,900,908	-	-	25,051,931	23,900,908
Hospitality and admission taxes	13,502,823	11,733,436	-	-	13,502,823	11,733,436
Accommodations tax	3,083,993	1,950,190	-	-	3,083,993	1,950,190
Tourism development revenue	4,149,233	2,604,061	-	-	4,149,233	2,604,061
Liquor permit revenue	275,695	323,055	-	-	275,695	323,055
State shared revenue	2,294,973	3,123,717	-	-	2,294,973	3,123,717
Unrestricted investment earnings (loss)	(284,747)	213,778	(2,289,790)	800,707	(2,574,537)	1,014,485
Gain on disposal of capital assets	175,813	267,285	302,117	124,325	477,930	391,610
Donation of capital assets	3,589,277	907,360	-	-	3,589,277	907,360
Insurance recoveries	31,494	177,040	-	-	31,494	177,040
Other revenue	167,013	272,947	-	-	167,013	272,947
Total revenues	\$ 209,222,914	\$ 195,276,687	\$ 211,230,937	\$ 197,134,643	\$ 420,453,851	\$ 392,411,330

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Table 2
City of Columbia
Changes in Net Position (Continued)
Years Ended June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021	Year ended June 30, 2022	Year ended June 30, 2021
Expenses:						
General government	\$ 26,105,195	\$ 24,216,858	\$ -	\$ -	\$ 26,105,195	\$ 24,216,858
Judicial	3,598,939	3,500,993	-	-	3,598,939	3,500,993
Finance	1,850,771	2,085,404	-	-	1,850,771	2,085,404
Community promotion	127,977	55,255	-	-	127,977	55,255
Planning and development	4,045,394	4,256,319	-	-	4,045,394	4,256,319
Public safety	107,445,145	109,125,861	-	-	107,445,145	109,125,861
Parks and recreation	14,620,575	14,836,783	-	-	14,620,575	14,836,783
Public services	19,223,731	19,696,659	-	-	19,223,731	19,696,659
General services	3,778,925	2,843,703	-	-	3,778,925	2,843,703
Tourism and community development	17,910,339	16,731,313	-	-	17,910,339	16,731,313
Interest and other fiscal charges	4,796,553	4,817,145	-	-	4,796,553	4,817,145
Unallocated depreciation	1,531,898	1,531,898	-	-	1,531,898	1,531,898
Water/sewer facilities	-	-	167,364,714	174,296,353	167,364,714	174,296,353
Hydro-electric plant	-	-	718,094	1,275,708	718,094	1,275,708
Stormwater facilities	-	-	10,991,543	12,934,746	10,991,543	12,934,746
Parking facilities	-	-	7,555,164	7,853,666	7,555,164	7,853,666
Redevelopment programs	-	-	1,180,320	707,797	1,180,320	707,797
Parks and recreation camps	-	-	275,209	209,286	275,209	209,286
Total expenses	205,035,442	203,698,191	188,085,044	197,277,556	393,120,486	400,975,747
Change in net position before transfers	4,187,472	(8,421,504)	23,145,893	(142,913)	27,333,365	(8,564,417)
Transfers	10,024,329	11,335,508	(10,024,329)	(11,335,508)	-	-
Change in net position	14,211,801	2,914,004	13,121,564	(11,478,421)	27,333,365	(8,564,417)
Net position, beginning of period	48,084,980	45,170,976	584,070,758	595,549,179	632,155,738	640,720,155
Net position, end of period	\$ 62,296,781	\$ 48,084,980	\$ 597,192,322	\$ 584,070,758	\$ 659,489,103	\$ 632,155,738

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Total expenses for the City were approximately \$393,120,000 for the year ended June 30, 2022. This represents a decrease of approximately \$7,855,000 (2%) when compared to the year ended June 30, 2021. This overall decrease in expenses resulted from an increase of approximately \$1,337,000 in governmental activities and a decrease of approximately \$9,193,000 in business-type activities.

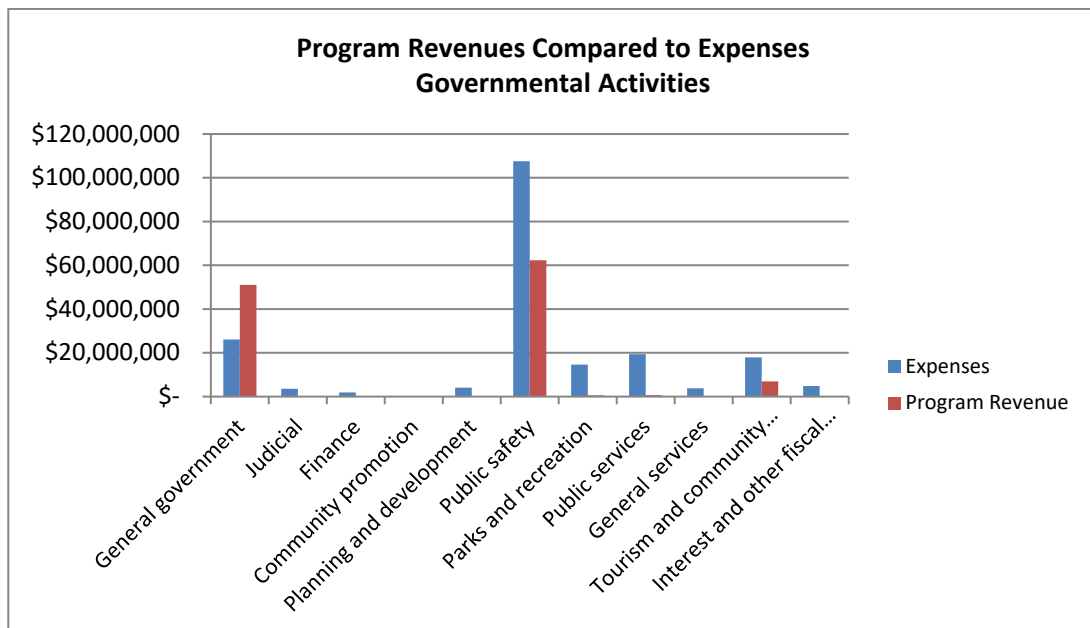
For governmental activities, general government expenses increased by approximately \$1,888,000, or 8%, primarily due to an increase in maintenance and service contracts and salaries. Tourism and community development expenses increased by approximately \$1,179,000 or 7%, as more tax revenue was distributed to events in 2022, due to the impact of COVID-19 on tourism in the prior year.

Expenses for business-type activities decreased by approximately \$9,193,000, or 5%, compared to the year ended June 30, 2021. The decrease was primarily related to the Water and Sewer Facilities Fund. Total operating expenses decreased by approximately \$1,838,000, or 1% compared to the year ended June 30, 2021. The decrease was primarily the result of a decrease in personnel related expenses compared to fiscal year 2021. The gain (loss) on disposal of assets increased by approximately \$1,267,000 compared to the year ended June 30, 2021, based on the assets disposed and related proceeds received in each year. Interest and amortization expense decreased by approximately \$1,462,000, or 5%, which decreased due to the issuance of new revenue bonds and related refunding of bonds in the prior year. In addition, expenses for the Stormwater Facilities Fund decreased by approximately \$1,943,000 or 15%, primarily due to a decrease in professional fees.

The City's net position increased by approximately \$27,333,000 during the year ended June 30, 2022. The net position for governmental activities increased by approximately \$14,212,000, while the net position of business-type activities increased by \$13,122,000. The overall increase in net position was approximately \$35,898,000 higher when compared to the prior fiscal year. This was due to an approximate \$11,298,000 increase in the governmental activities and an approximate \$24,600,000 increase in business-type activities.

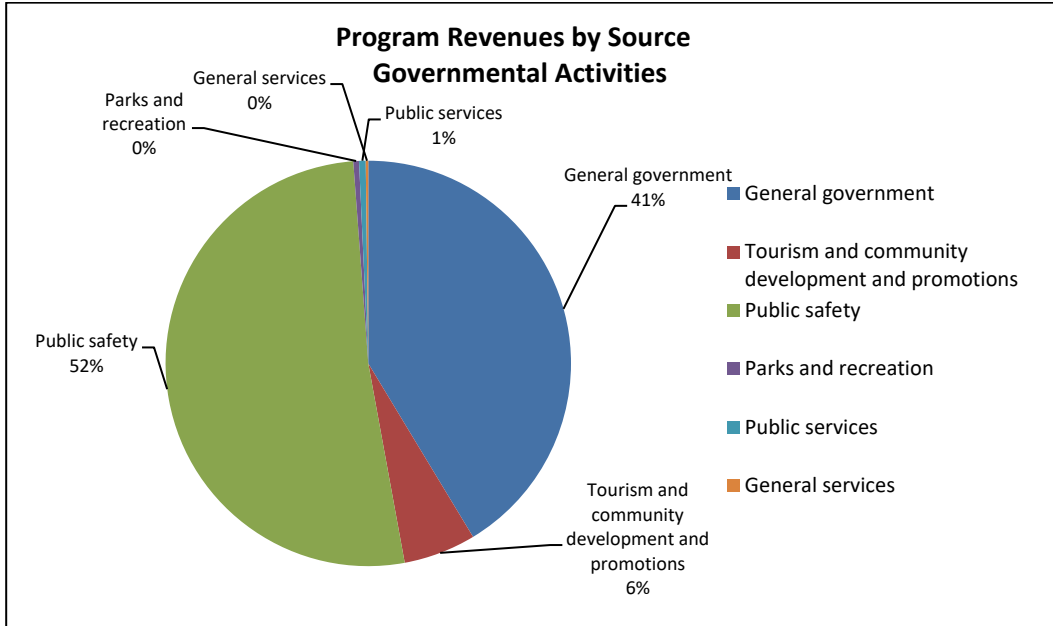
Governmental Activities – A comparative analysis of the governmental activities expenses and program revenues is presented below.

Figure 1
Program Revenues Compared to Expenses
Governmental Activities
Year Ended June 30, 2022



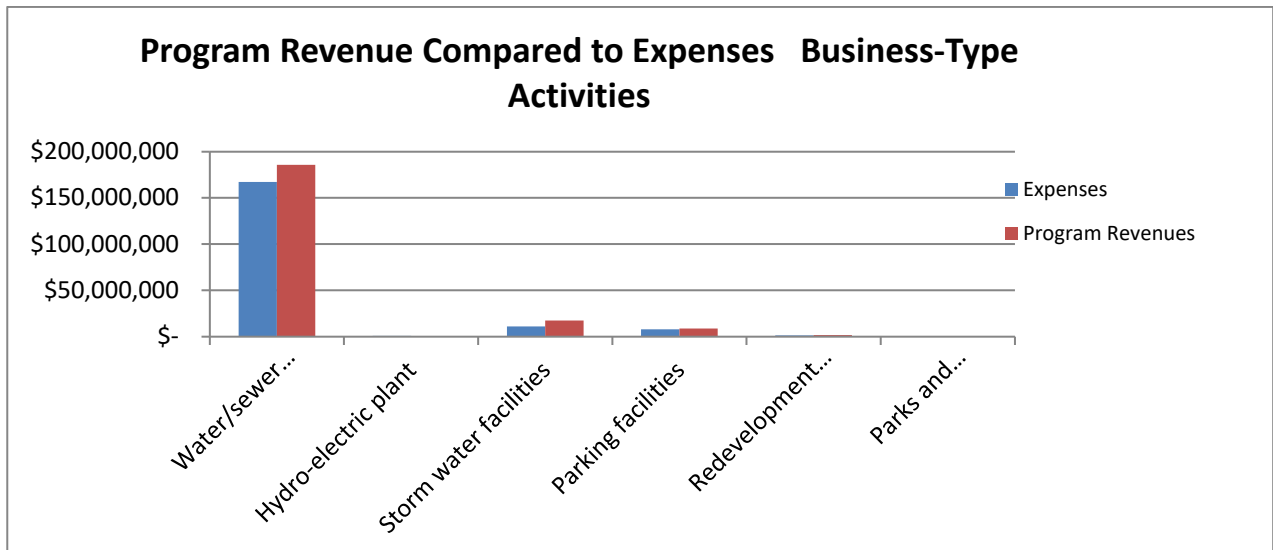
CITY OF COLUMBIA, SOUTH CAROLINA
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Figure 2
Program Revenues by Source
Governmental Activities
Year Ended June 30, 2022



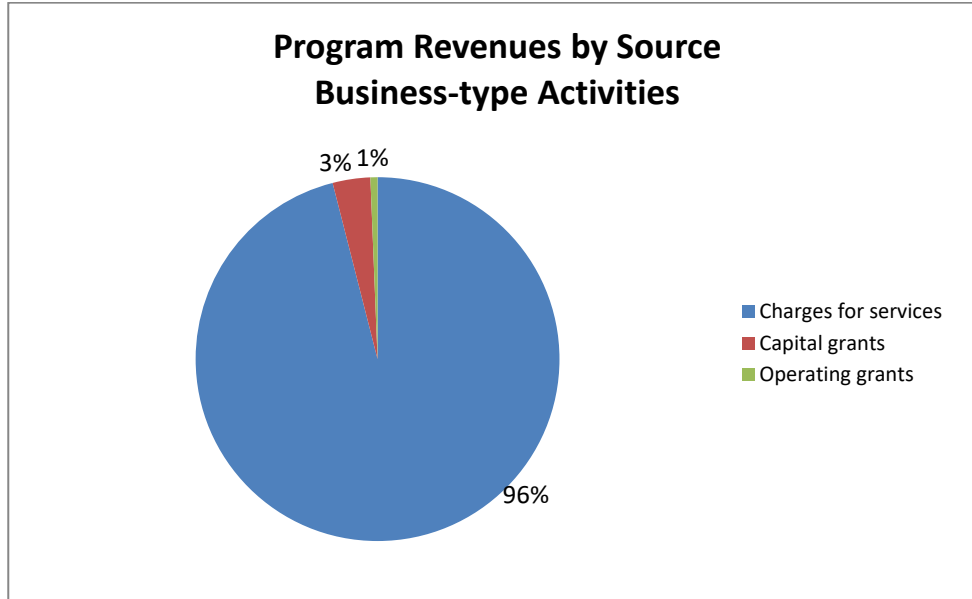
Business-type Activities – The net position of the City’s business-type activities increased by approximately \$13,122,000 for the year ended June 30, 2022. This increase is primarily attributable to the operations of the Water and Sewer operations. A comparative analysis and discussion of expenses and program revenues for these enterprise operations is presented below.

Figure 3
Program Revenue Compared to
Expenses for Business-type Activities
Year Ended June 30, 2022



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Figure 4
Program Revenues by Source
for Business-type Activities
Year Ended June 30, 2022



Water and Sewer Facilities Fund – The net position for the Water and Sewer Facilities fund for the year ended June 30, 2022, increased by approximately \$11,944,000.

Table 3
Water and Sewer Facilities Fund Revenues and Expenses
Years Ended June 30, 2022 and June 30, 2021

	Year Ended June 30,	
	2022	2021
Revenues		
Total operating revenues	\$ 177,437,426	\$ 157,942,666
Non-operating revenues	881,184	2,193,191
Development contributions and capital grants	7,147,240	10,901,680
Investment (loss) gain	(1,890,494)	611,346
Total revenues	183,575,356	171,648,883
Expenses		
Total operating expenses	137,504,172	139,342,144
(Gain) loss on disposal of assets	(301,374)	965,903
Interest and amortization expense	25,684,427	27,146,906
Transfers, net	8,743,771	9,899,086
Total expenses	171,630,996	177,354,039
Change in net position	\$ 11,944,360	\$ (5,705,156)

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Total operating revenues, which primarily consist of water and sewer fees, increased by approximately \$19,495,000 or 12%, to \$177,437,000. The increase was primarily due to an increase in water sales and sewer service charges due to rate increases and reopening of businesses after COVID-19. Nonoperating revenues were approximately \$881,000, a decrease of \$1,312,000, or 60%. The decrease was primarily due to a FEMA grant received in fiscal year 2021 that was not received in fiscal year 2022. Development contributions and capital grants decreased by approximately \$3,754,000 or 34%. Investment income (loss) decreased by approximately \$2,502,000 due to market performance in each year. Total revenues increased by approximately \$11,926,000 or 7%.

Total operating expenses decreased by approximately \$1,838,000, or 1%, to \$137,504,000 when compared to the year ended June 30, 2021. The decrease was primarily the result of a decrease in personnel related expenses compared to fiscal year 2021. Gain (loss) on disposal of assets increased by approximately \$1,268,000 based on the assets disposed and related proceeds received in each year. Interest and amortization expense was approximately \$25,684,000, a decrease of \$1,463,000, or 5%, due to the issuance of new revenue bonds and related refunding of bonds in the prior year. Net transfers from the Water and Sewer Facilities Fund decreased by approximately \$1,155,000 or 12% to \$8,744,000, compared to the year ended June 30, 2021, due to additional transfers needed by other funds in the prior year to cover COVID-19 expenses.

Parking Facilities Fund – The net position of the Parking Facilities Fund for the year ended June 30, 2022, increased by approximately \$308,000.

Table 4
Parking Facilities Fund Revenue and Expenses
Years Ended June 30, 2022 and June 30, 2021

	Year Ended June 30,	
	2022	2021
Revenues		
Total operating revenues	\$ 8,537,688	\$ 6,556,044
Non-operating revenues	75,263	139,153
Gain (loss) on sale of assets	-	4,095
Total revenues	8,612,951	6,699,292
Expenses		
Total operating expenses	5,856,112	6,067,933
Interest and amortization expense	1,510,534	1,477,465
Transfers, net	938,159	900,899
Total expenses	8,304,805	8,446,297
Change in net position	\$ 308,146	\$ (1,747,005)

Total operating revenues, which primarily consist of parking fees and fines, increased by approximately \$1,982,000, or 30%, to \$8,538,000. The increase in operating revenues was due to an increase in traffic during the year ended June 30, 2022, as COVID-19 restrictions were lifted. Nonoperating revenue decreased by approximately \$64,000 or 46% due primarily to decreased investment income based on market performance in each year. Total revenues for the year ended June 30, 2022, increased approximately \$1,914,000, or 29%, to \$8,613,000.

Total operating expenses decreased by approximately \$212,000, or 3%, to \$5,856,000 when compared to the year ended June 30, 2021. Interest and amortization expense increased in fiscal year 2022 by approximately \$33,000, or 2%, when compared to fiscal year 2021. Total expenses decreased by approximately \$141,000, or 2%, to \$8,305,000.

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Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the City's governmental funds reported combined ending fund balances of approximately \$114,333,000, an increase of approximately \$572,000. Unassigned fund balance is available for spending at the City's discretion. As of June 30, 2022, the City's governmental funds had an unassigned fund balance of approximately \$37,586,000, a decrease of approximately \$1,902,000 compared to the year ended June 30, 2021.

The general fund is the chief operating fund of the City. During the year ended June 30, 2022, the fund balance of the general fund increased by approximately \$5,506,000 to approximately \$55,730,000. The increase in fund balance was due primarily to the issuance of a new finance lease in the amount of \$9,000,000. Total revenues increased approximately \$1,185,000 (1%) from the prior year. Local option sales taxes increased approximately \$1,151,000 due to an increase in taxable properties during the current year. Rental income increased approximately \$1,147,000, due to an increase in rental agreements during the year ended June 30, 2022. Total expenditures increased by approximately \$3,773,000 (3%) from the prior year, due primarily to increased general government expenses for salaries and maintenance. Other financing sources increased by approximately \$5,776,000, due to proceeds from a finance lease issued during the current year.

The unassigned fund balance of governmental funds, which is available for use without restriction, decreased by approximately \$1,902,000 to approximately \$37,586,000. Unrestricted fund balance is the combination of unassigned fund balance (\$37,586,000), assigned fund balance (\$20,975,000), and committed fund balance (\$4,560,000), and totals approximately \$63,121,000. The fund balance in the general fund is comprised of approximately \$5,161,000 in restricted fund balance, \$765,000 in nonspendable fund balance, \$4,560,000 in committed fund balance, \$3,781,000 in assigned fund balance, and \$41,463,000 in unassigned fund balance. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

The County Services fund is used to report funds received from Richland County, South Carolina to offset costs incurred by the City of Columbia in providing fire services and 911 emergency communications services to Richland County citizens living outside the incorporated area of the City of Columbia.

Revenue payments from Richland County for the year ended June 30, 2022, increased by approximately \$31,000, remaining consistent with the prior year. Revenue payments to the City from Richland County are based on the agreed upon budgeted amounts. Expenditures for the year ended June 30, 2022, increased by approximately \$1,555,000. If actual expenditures exceed the expected amounts during the fiscal year, the City can try and recover some of these costs in subsequent year contract negotiations.

Proprietary funds – The statements of the City's proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements but in more detail. Factors concerning the finances of these funds were previously addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The general fund is the principal operating fund of the City and is used to account for all activities of the City not otherwise accounted for by a specified fund. It is also the largest of the City's funds and is mostly comprised of general tax revenues and license and permit fees. Over the course of the fiscal year, the City revises its budget to address unanticipated changes in revenues and expenditures.

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The City provides basic city services such as police, fire, parks and recreation, and other public services. Each department budget must be developed and justified annually during the legally required budget adoption process. Total general fund revenues and other financing sources for the year ended June 30, 2022, were approximately \$159,259,000, approximately \$2,699,000, or 2%, more than the final budget of approximately \$156,560,000. The increase in total revenue was the result of higher than budgeted taxes and licenses and permits.

Total general fund expenditures and other financing uses were approximately \$153,752,000 for the year ended June 30, 2022, approximately \$2,808,000, or 2%, less than the final budgeted expenditures and other financing uses of approximately \$156,560,000.

Capital Assets and Debt Administration

Capital assets – The City's investment in capital assets (before reductions for debt service) for its governmental and business-type activities as of June 30, 2022, totaled \$1,420,045,027 net of accumulated depreciation. This investment in capital assets includes land, buildings, infrastructure, construction in progress, machinery, and equipment. The net increase in the City's investment in capital assets for the year ended June 30, 2022, was approximately \$55,252,000, or 4%.

Major capital asset events during the year ended June 30, 2022, included the following:

- Construction in progress (CIP) increased by a net of approximately \$12,484,000. This increase was the result of several significant projects during the year ended June 30, 2022 in the Water and Sewer Fund, the most significant of which were the AMR/AMI Business Case Evaluation, Water Main at Rimer Pond Road & Hardscrabble, Lower Saluda River Relief Sewer and East Rocky Branch Improvements Phase II. There was an approximate increase of \$4,664,000 in the governmental CIP balance. There was a net increase of approximately \$7,820,000 in the business-type activities CIP balance as the City completed several smaller projects while work began or progressed on numerous others that varied in scope and size.
- Buildings and improvements additions totaled approximately \$87,833,000 during the year ended June 30, 2022. Significant additions included improvements to water lines in the Water and Sewer Fund and storm drain improvements in the Stormwater Facilities Fund. There were no significant disposals of buildings and improvements during the current fiscal year.
- Machinery and equipment additions totaled approximately \$10,898,000 during the year ended June 30, 2022. These additions consisted mainly of vehicles, security systems and devices for the police department, and playground equipment. Disposals consisted mainly of fully depreciated vehicles.
- Depreciation expense totaled approximately \$61,760,000 for the City as a whole.

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Capital assets, net of depreciation, for the governmental and business-type activities are as follows:

Table 5
Capital Assets (Net of Depreciation)
As of June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	As of June 30, 2022	As of June 30, 2021	As of June 30, 2022	As of June 30, 2021	As of June 30, 2022	As of June 30, 2021
Land	\$ 41,250,489	\$ 39,537,608	\$ 33,061,271	\$ 32,279,773	\$ 74,311,760	\$ 71,817,381
Construction in progress	37,029,489	32,365,697	274,056,528	266,236,687	311,086,017	298,602,384
Buildings and improvements	155,672,276	159,638,920	825,614,418	783,704,909	981,286,694	943,343,829
Infrastructure	19,691,252	18,025,648	-	-	19,691,252	18,025,648
Machinery and equipment	18,455,833	18,090,082	15,213,471	14,913,545	33,669,304	33,003,627
Total	\$ 272,099,339	\$ 267,657,955	\$ 1,147,945,688	\$ 1,097,134,914	\$ 1,420,045,027	\$ 1,364,792,869

Additional information on the City's capital assets can be found in Note III. F. in the Notes to the Financial Statements.

Long-term debt – The City's long-term debt reflected a net decrease of approximately \$25,600,000, or 3%, as shown in Table 6. This net decrease was the result of \$58,786,059 in principal payments and \$5,713,916 in amortization of bond premiums and discounts. In addition, revenue bonds in the amount of \$29,900,000 were issued in the governmental funds. A finance lease in the amount of \$9,000,000 was issued in the governmental funds for the purpose of acquisition of capital assets.

Principal payments of approximately \$38,221,000 were made on governmental activities bonds, notes payable, and finance leases. Principal payments of approximately \$20,565,000 were made on business-type activity revenue bonds.

Total governmental activities debt had a net decrease of approximately \$2,413,000, while business-type activities debt had a net decrease of approximately \$23,187,000.

The City implemented GASB Statement No. 87, *Leases* during the year ended June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Implementation of this Statement resulted in recognition of a lease receivable in the amount of \$12,762,072 a deferred inflow in the amount of \$12,658,705, a right of use asset in the amount of \$5,572,780, and a lease liability in the amount of \$5,672,280 in the statement of net position. GASB Statement No. 87 requires retrospective presentation. As the impact of implementation of this Statement would not be significant to net position in prior periods, beginning net position was not restated.

CITY OF COLUMBIA, SOUTH CAROLINA
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Table 6
Outstanding Indebtedness
As of June 30, 2022 and June 30, 2021

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	As of June 30, 2022	As of June 30, 2021	As of June 30, 2022	As of June 30, 2021	As of June 30, 2022	As of June 30, 2021
Notes payable	\$ 300,000	\$ 375,000	\$ -	\$ -	\$ 300,000	\$ 375,000
General obligation bonds	13,335,000	15,760,000	-	-	13,335,000	15,760,000
Bond premiums	1,152,546	1,378,365	-	-	1,152,546	1,378,365
Revenue bonds	99,150,000	99,605,000	-	-	99,150,000	99,605,000
Bond premiums	-	2,886,267	-	-	-	2,886,267
Bond discounts	(180,000)	(200,000)	-	-	(180,000)	(200,000)
Parking Facilities revenue bonds	-	-	33,500,000	34,875,000	33,500,000	34,875,000
Waterworks and Sewer System revenue bonds	-	-	675,975,000	694,480,000	675,975,000	694,480,000
Bond premiums	-	-	45,284,942	47,731,021	45,284,942	47,731,021
Stormwater System revenue bonds	-	-	36,125,000	36,810,000	36,125,000	36,810,000
Bond premiums	-	-	4,496,304	4,672,055	4,496,304	4,672,055
Finance Leases Payable	21,663,626	18,029,685	-	-	21,663,626	18,029,685
Total	\$ 135,421,172	\$ 137,834,317	\$ 795,381,246	\$ 818,568,076	\$ 930,802,418	\$ 956,402,393

As noted earlier, the City's underlying bond rating for its general obligation debt issues was an AA+ by Standard and Poor's and Aa1 by Moody's. The underlying bond rating for its Water and Sewer revenue bonds as of June 30, 2021, was an "Aa1" by Moody's Investors Service, Inc. and "AA+" by Standard and Poor's Rating Services. The Parking System revenue bonds as of June 30, 2022, were rated "A-" by Standard and Poor's Rating Service and "A1" by Moody's Investor Service, Inc. In July 2018, both Standard and Poor's Rating Service and Moody's Rating Service upgraded the City's bond rating for its Parking revenue bonds. Moody's upgraded their rating from "A2," and Standard and Poor's upgraded their rating from "BBB+." Stormwater revenue bonds received a rating of "Aa2" from Moody's Rating Service and "AA+" from Standard and Poor's Rating Service.

Article X, Section 14 of the State Constitution limits the amount of general obligation debt a governmental entity may issue to 8% of its assessed property value. The City as of June 30, 2022, had \$13,335,000 in debt subject to this limitation which is less than the \$39,101,708 allowed without approval by the voters in the City.

Additional information regarding the City's long-term obligations can be found in Note III. H in the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

The City's financial condition remained strong as of June 30, 2022. The City continues to have low unemployment at 4.0%, growth in population and growth in gross domestic product. The uncertainty of the past two years concerning the economic outlook and the impact on City revenues resulting from the COVID-19 pandemic has been minimized and is reflected by increased spending in the fiscal year 2023 budget for the priorities set by council.

The City's adopted operating budget for all funds for the year ending June 30, 2023, is \$391,651,319. The adopted budget for the general fund for the year ending June 30, 2023, is \$164,810,594. This represents an increase from the prior budget year in the amount of \$9,266,105 or 5.95%. Revenues are budgeted at an increase of \$8,494,894 or 6.4%. The largest increase is expected to be licenses and permits which is projected to increase \$3,856,161 or 10%. Property tax is expected to increase \$2,126,906 or 3.5%. The fiscal year 2023 budget reflects funding with a focus on investments in the City Council's Strategic Outcomes.

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The General Fund millage rate for fiscal year 2023 remains at 93.8 mills, no change from the prior year. The City has included use of fund balance in the amount of \$3,000,000 and the use of American Rescue Plan funds of \$2,000,000.

Key elements that factored into the preparation of the fiscal year 2023 budget are based on the Strategic Outcomes as detailed below:

- Economic Growth
 - Revised structure of Economic Development functions to focus on business recruitment and retention initiatives to promote a business friendly environment.
- Safe communities
 - Competitive pay plan for police officers based on a new pay structure that incorporates salary progressions through steps.
 - Planned upgrade of police body worn cameras and interconnected system enhancements.
 - Complete roll out of upgraded citywide security camera system and Real Time Crime Center.
 - Accreditation renewal of 911 Emergency Communications and Fire Department operations.
- Organizational effectiveness - Investing in city employees / city services / customer services
 - Ensuring departments have the resources required to provide city services to operate a clean, safe and financially sound city.
 - Commitment to highest level of customer care for residents, visitors, businesses.
 - Staffing levels that are in line with providing services efficiently and effectively while utilizing contractors for service delivery where appropriate. This budget reflects a reduction of more than 50 vacant positions that were previously frozen or unfilled in the past year or more.
- Communications
 - Centralization of existing resources to focus on citywide marketing, communications and social media platforms.
 - Focus on consistency in branding, marketing and communications.
- Beautification and Appearance
 - Addition of three code enforcement officers to focus on proactively addressing blight, nuisance enforcement and neighborhood improvement sweeps.
 - Continued partnership with Keep the Midlands Beautiful for various community engagement projects.
- Built Infrastructure
 - Continuation of capital replacement program for rolling stock and technology upgrades.
 - Provide funding for capital Improvement program addressing water quality, sewer system rehabilitation, storm drain and nuisance flooding without the issuance of additional debt.
 - Painting and stucco repairs of City parking decks.
- Vibrant Community
 - Reinstating the Hospitality Tax Committee to review grant applications for recommendations to City Council.
 - Reinstated funding for Community Promotions grant program for opportunities for non-profit organizations to invest in City Council Strategic Outcomes, ensuring departments have the resources required to provide city services.

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Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Chief Financial Officer, P.O. Box 147, 1737 Main Street, Columbia, South Carolina 29217.

Thank you for your interest in the City, in general, and its finances specifically.

BASIC FINANCIAL STATEMENTS

CITY of COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and equivalents	\$ 170,998,204	\$ 211,911,011	\$ 382,909,215	\$ 14,812,863
Certificates of deposit	-	-	-	1,538,855
Cash on deposit with escrow agent	-	-	-	5,557,193
Investments	17,839,038	92,648,295	110,487,333	-
Receivables				
Property taxes, net of allowance	2,229,360	-	2,229,360	-
Federal government	6,134,120	55,754	6,189,874	-
State government	4,875,710	82,883	4,958,593	-
County government	85,250	-	85,250	-
Accounts, net of allowance	3,185,450	13,658,185	16,843,635	616,652
Lease receivable, current portion	1,251,027	136,948	1,387,975	988,164
Accrued interest	90,912	453,025	543,937	344
Mortgage notes, net of allowance	-	-	-	127,502
Due from component units	-	200,000	200,000	-
Due from grantee agency	6	-	6	-
Internal balances	38,095,381	(38,095,381)	-	-
Prepaid expenses	946,319	235,904	1,182,223	391,471
Inventory	1,145,357	2,902,424	4,047,781	-
Real estate held for sale and development	-	441,335	441,335	-
Restricted assets				
Restricted cash	15,138,871	-	15,138,871	25,451
Restricted investments	15,006,836	3,586,107	18,592,943	-
Real estate held for sale and development	-	-	-	28,800
Total current assets	277,021,841	288,216,490	565,238,331	24,087,295
Noncurrent assets				
Cash on deposit with escrow agent	-	-	-	4,340,466
Investments	-	30,140,981	30,140,981	-
Restricted investments	18,536,664	-	18,536,664	-
Lease receivable, net of current portion	7,097,040	4,277,057	11,374,097	1,749,304
Mortgage notes receivable, net of current portion	-	22,077,318	22,077,318	1,734,547
Other assets				
Prepaid bond insurance costs	-	182,273	182,273	-
Organizational costs	-	-	-	829
Real estate held for sale or development	-	-	-	1,540,952
Security deposits	-	-	-	2,000
Right to use leased assets net of amortization	275,835	5,296,945	5,572,780	131,431
Capital assets not being depreciated				
Land	41,250,489	33,061,271	74,311,760	2,131,559
Construction in progress	37,029,489	274,056,528	311,086,017	-
Capital assets net of accumulated depreciation				
Buildings, improvements and utility plant	155,672,276	825,614,418	981,286,694	7,177,054
Infrastructure	19,691,252	-	19,691,252	-
Machinery and equipment	18,455,833	15,213,471	33,669,304	-
Total noncurrent assets	298,008,878	1,209,920,262	1,507,929,140	18,808,142
TOTAL ASSETS	575,030,719	1,498,136,752	2,073,167,471	42,895,437
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	474,933	51,770,657	52,245,590	-
Deferred outflows related to other postemployment benefits liability	55,458,620	19,800,425	75,259,045	-
Deferred outflows related to net pension liability	29,526,464	10,195,817	39,722,281	-
Accumulated decrease in fair value of hedging derivatives	-	15,165,972	15,165,972	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	85,460,017	96,932,871	182,392,888	-

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	\$ 11,346,533	\$ 22,092,646	\$ 33,439,179	\$ 672,701
Accrued salaries and benefits	5,310,801	2,049,934	7,360,735	-
Accrued liability for claims	17,359,855	23,600	17,383,455	-
Accrued interest	670,473	11,445,856	12,116,329	-
Retainage payable	2,525	5,006,440	5,008,965	-
Unearned revenue	699,099	98,365	797,464	1,546,309
Due to primary government	-	-	-	200,000
Refundable advances	9,301,210	-	9,301,210	-
Compensated absences, current portion	1,783,299	407,358	2,190,657	208,717
Due to others	56,143	-	56,143	-
Deposits payable	17,965	326,270	344,235	71,554
Lease liability, current portion	105,466	163,647	269,113	27,403
Note payable, current portion	75,000	-	75,000	3,156,952
General obligation bonds, current portion	1,095,000	-	1,095,000	-
Revenue bonds, current portion	1,935,000	23,050,000	24,985,000	-
Obligation under finance leases, current portion	5,363,102	-	5,363,102	-
Forgivable loan	-	77,505	77,505	-
Total current liabilities	55,121,471	64,741,621	119,863,092	5,883,636
Noncurrent liabilities				
Compensated absences, net of current portion	7,133,199	1,643,540	8,776,739	51,620
Net pension liability	151,270,382	50,693,945	201,964,327	-
Total OPEB liability	157,370,638	52,554,105	209,924,743	-
Lease liability, net of current portion	204,918	5,198,249	5,403,167	104,833
Note payable, net of current portion	225,000	-	225,000	1,167,690
General obligation bonds, net of current portion	13,392,546	-	13,392,546	-
Revenue bonds, net of current portion	97,035,000	772,331,246	869,366,246	-
Obligation under finance leases, net of current portion	16,300,524	-	16,300,524	-
Derivative instrument liability, interest rate swap	-	15,165,972	15,165,972	-
Due to grantor agency	-	-	-	6,501
Total noncurrent liabilities	442,932,207	897,587,057	1,340,519,264	1,330,644
TOTAL LIABILITIES	498,053,678	962,328,678	1,460,382,356	7,214,280
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to net pension liability	30,030,693	10,659,298	40,689,991	-
Deferred inflows related to other postemployment benefits liability	57,379,640	20,486,287	77,865,927	-
Deferred inflow - leases	8,255,667	4,403,038	12,658,705	2,737,468
Deferred inflow - property sale	50,000	-	50,000	-
Deferred inflow - property tax credit	4,424,277	-	4,424,277	-
TOTAL DEFERRED INFLOWS OF RESOURCES	100,140,277	35,548,623	135,688,900	2,737,468
NET POSITION				
Net investment in capital assets	156,647,238	429,469,640	586,116,878	5,526,952
Restricted for				
Capital projects	33,965,392	-	33,965,392	-
Debt service	3,500,709	3,586,107	7,086,816	-
Tourism	11,256,726	-	11,256,726	9,409,687
Public safety	595,848	-	595,848	-
Community development				
Expendable	1,037,645	-	1,037,645	67,045
Nonexpendable	5,064	-	5,064	-
Unrestricted	(144,711,841)	164,136,575	19,424,734	17,940,005
TOTAL NET POSITION	\$ 62,296,781	\$ 597,192,322	\$ 659,489,103	\$ 32,943,689

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

FUNCTIONS/PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Operating Grants and Contributions		Capital Grants and Contributions	Primary Government			Component Units
		Charges for Services			Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 26,105,195	\$ 45,882,104	\$ 1,592,173	\$ 2,387,159	\$ 23,756,241	\$ -	\$ 23,756,241	\$ -
Judicial	3,598,939	-	-	-	(3,598,939)	-	(3,598,939)	-
Finance department	1,850,771	-	-	-	(1,850,771)	-	(1,850,771)	-
Community promotions	127,977	-	-	-	(127,977)	-	(127,977)	-
Planning and development	4,045,394	-	-	-	(4,045,394)	-	(4,045,394)	-
Public safety	107,445,145	53,542,994	8,732,247	-	(45,169,904)	-	(45,169,904)	-
Parks and recreation	14,620,575	537,830	-	-	(14,082,745)	-	(14,082,745)	-
Public services	19,223,731	642,409	-	-	(18,581,322)	-	(18,581,322)	-
General services	3,778,925	235,466	-	-	(3,543,459)	-	(3,543,459)	-
Tourism and community development	17,910,339	7,322	6,942,922	-	(10,960,095)	-	(10,960,095)	-
Interest and other fiscal charges	4,796,553	-	-	-	(4,796,553)	-	(4,796,553)	-
Unallocated depreciation	1,531,898	-	-	-	(1,531,898)	-	(1,531,898)	-
Total governmental activities	<u>205,035,442</u>	<u>100,848,125</u>	<u>17,267,342</u>	<u>2,387,159</u>	<u>(84,532,816)</u>	<u>-</u>	<u>(84,532,816)</u>	<u>-</u>
Business-type activities								
Water/sewer facilities	167,364,714	177,729,161	589,449	7,147,240	-	18,101,136	18,101,136	-
Hydro-electric plant	718,094	-	-	-	-	(718,094)	(718,094)	-
Stormwater facilities	10,991,543	17,287,609	383	-	-	6,296,449	6,296,449	-
Parking facilities	7,555,164	8,667,720	-	-	-	1,112,556	1,112,556	-
Redevelopment programs	1,180,320	876,729	751,217	-	-	447,626	447,626	-
Parks and recreation camps	275,209	169,102	-	-	-	(106,107)	(106,107)	-
Total business-type activities	<u>188,085,044</u>	<u>204,730,321</u>	<u>1,341,049</u>	<u>7,147,240</u>	<u>-</u>	<u>25,133,566</u>	<u>25,133,566</u>	<u>-</u>
Total Primary Government	<u>\$ 393,120,486</u>	<u>\$ 305,578,446</u>	<u>\$ 18,608,391</u>	<u>\$ 9,534,399</u>	<u>(84,532,816)</u>	<u>25,133,566</u>	<u>(59,399,250)</u>	<u>-</u>
COMPONENT UNITS	<u>\$ 13,297,728</u>	<u>\$ 13,953,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,619</u>
General revenues:								
General property taxes					36,682,790	-	36,682,790	-
Local option sales tax					25,051,931	-	25,051,931	-
Hospitality and admission taxes					13,502,823	-	13,502,823	-
Accommodations tax					3,083,993	-	3,083,993	-
Tourism development revenue					4,149,233	-	4,149,233	-
Liquor permit revenue					275,695	-	275,695	-
State shared revenue					2,294,973	-	2,294,973	-
Appropriations - City of Columbia					-	-	-	1,136,968
Unrestricted investment income (loss)					(284,747)	(2,289,790)	(2,574,537)	30,426
Gain on disposal of capital assets					175,813	302,117	477,930	25,072
Donation of capital assets					3,589,277	-	3,589,277	-
Insurance recoveries					31,494	-	31,494	-
Other revenues					167,013	-	167,013	14,110
Transfers					10,024,329	(10,024,329)	-	-
Total general revenues and transfers					<u>98,744,617</u>	<u>(12,012,002)</u>	<u>86,732,615</u>	<u>1,206,576</u>
Change in net position					14,211,801	13,121,564	27,333,365	1,862,195
Net position - beginning of period					48,084,980	584,070,758	632,155,738	31,081,494
Net position - end of period					<u>\$ 62,296,781</u>	<u>\$ 597,192,322</u>	<u>\$ 659,489,103</u>	<u>\$ 32,943,689</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022**

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 50,602,517	\$ -	\$ 27,270,863	\$ 77,873,380
Restricted cash	4,484,152	-	10,654,719	15,138,871
Investments	9,912,340	-	7,926,698	17,839,038
Restricted investments	-	-	33,543,500	33,543,500
Receivables				
Property taxes, net	2,229,360	-	-	2,229,360
Federal government	1,010,333	-	5,123,787	6,134,120
State government	3,741,010	-	1,134,700	4,875,710
County government	-	-	85,250	85,250
Accounts, net	543,905	1,852,494	2,754	2,399,153
Accrued interest	53,154	-	37,758	90,912
Lease receivable	8,348,067	-	-	8,348,067
Due from grantee agency	-	-	6	6
Prepaid charges	764,861	85,338	-	850,199
TOTAL ASSETS	<u>\$ 81,689,699</u>	<u>\$ 1,937,832</u>	<u>\$ 85,780,035</u>	<u>\$ 169,407,566</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,524,392	\$ 1,324,927	\$ 3,007,818	\$ 8,857,137
Accrued salaries and benefits	3,813,266	1,182,454	57,655	5,053,375
Retainage payable	-	-	2,525	2,525
Refundable advances	-	-	9,301,210	9,301,210
Due to other funds	1,868,116	1,965,250	12,273,533	16,106,899
Due to others	56,143	-	-	56,143
Customer deposits	17,965	-	-	17,965
Advances from other funds	1,150,042	-	-	1,150,042
Total liabilities	<u>11,429,924</u>	<u>4,472,631</u>	<u>24,642,741</u>	<u>40,545,296</u>
Deferred inflows of resources				
Deferred revenue - deferred property tax credit	4,424,277	-	-	4,424,277
Deferred revenue - property sale	50,000	-	-	50,000
Unavailable revenue - property taxes	1,799,685	-	-	1,799,685
Deferred inflow - leases	8,255,667	-	-	8,255,667
Total deferred inflows of resources	<u>14,529,629</u>	<u>-</u>	<u>-</u>	<u>14,529,629</u>
Fund balances				
Nonspendable	764,861	85,338	5,064	855,263
Restricted	5,160,744	-	45,195,576	50,356,320
Committed	4,560,420	-	-	4,560,420
Assigned	3,780,922	-	17,193,686	20,974,608
Unassigned	41,463,199	(2,620,137)	(1,257,032)	37,586,030
Total fund balances (deficits)	<u>55,730,146</u>	<u>(2,534,799)</u>	<u>61,137,294</u>	<u>114,332,641</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 81,689,699</u>	<u>\$ 1,937,832</u>	<u>\$ 85,780,035</u>	<u>\$ 169,407,566</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balance, governmental funds \$ 114,332,641

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Land	\$ 41,250,489	
Construction in progress	37,029,489	
Buildings and improvements, net	155,672,276	
Infrastructure, net	19,691,252	
Machinery and equipment, net	18,455,833	
Less: Net capital assets reported in the Internal Service Funds	(163,879)	271,935,460

Right to use leased assets, net of accumulated amortization, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

116,900

Certain other long-term deferred outflows are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Unamortized deferred change on refunding	\$ 474,933	
Pension related deferred outflows	29,526,464	
Less: Pension related deferred outflows reported in the Internal Service Funds	(1,122,301)	28,879,096

Certain property tax revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

1,799,685

Certain intergovernmental revenues will be collected before year end, but are not able to be recognized on the government-wide statements until the expense is recognized and are deferred on the government-wide statements.

(699,099)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

(76,585,072)

Eliminations relating to the consolidation of internal service funds resulted in an amount due to governmental activities from business-type activities in the statement of net position.

42,609,100

Some liabilities (such as note payable, finance leases, contracts payable, compensated absences, net pension liability, and bonds payable) are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the statement of net position.

Accrued compensated absences	\$ (8,916,498)	
Less: Compensated absences reported in the Internal Service Funds	358,272	
Accrued interest payable	(670,420)	
Net pension liability	(151,270,382)	
Less: Net pension liability reported in the Internal Service Funds	4,723,175	
Bonds and note payable	(112,785,000)	
Finance leases payable	(21,663,626)	
Lease liability	(151,174)	
Unamortized discount	180,000	
Unamortized premium	(1,152,546)	(291,348,199)

Other long term deferred inflows related to pension expense do not consume current financial resources and are, therefore, not reported in the fund financial statements:

Pension related deferred inflows	\$ (30,030,693)	
Less: Pension related deferred inflows reported in the Internal Service Funds	1,286,962	(28,743,731)

Net position of governmental activities in the statement of net position \$ 62,296,781

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General Fund	County Services	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	\$ 35,631,802	\$ -	\$ 1,046,284	\$ 36,678,086
Local option sales tax	25,051,931	-	-	25,051,931
Hospitality and admission taxes	-	-	13,502,823	13,502,823
Accommodations tax	-	-	3,083,993	3,083,993
Tourism development fee	-	-	4,149,233	4,149,233
Liquor permit fee	-	-	275,695	275,695
Licenses and permits	29,409,618	-	-	29,409,618
Franchise fees	11,401,049	-	-	11,401,049
Intergovernmental revenue	17,976,788	-	26,195	18,002,983
Charges for services	16,386,053	-	12,222	16,398,275
Fines and forfeitures	265,961	-	81,104	347,065
Federal government	1,591,393	-	12,776,646	14,368,039
State government	-	-	10,000	10,000
County government	-	24,653,050	2,878,009	27,531,059
Private grants	780	-	2,397,673	2,398,453
Lease revenue	2,808,783	-	115,083	2,923,866
Other revenues	7,038	-	159,975	167,013
Total revenues	140,531,196	24,653,050	40,514,935	205,699,181
EXPENDITURES				
Current				
General government	15,628,428	-	605,000	16,233,428
Judicial	3,408,885	-	71,500	3,480,385
Finance department	1,679,880	-	142,500	1,822,380
Planning and development	3,732,504	-	250,833	3,983,337
Public safety	72,595,125	25,900,498	3,817,115	102,312,738
Parks and recreation	12,144,225	-	278,638	12,422,863
Public services	15,749,789	-	3,017,705	18,767,494
General services	2,704,992	-	986,679	3,691,671
Tourism and community development	3,895,275	-	13,740,316	17,635,591
Community promotions	126,014	-	-	126,014
Debt service				
Principal payment on bonds	5,366,060	-	32,854,999	38,221,059
Interest on bonds	384,943	-	3,791,405	4,176,348
Debt issuance costs	-	-	3,823,435	3,823,435
Fiscal agent charges	-	-	24,059	24,059
Capital outlay	6,729,919	-	10,870,613	17,600,532
Total expenditures	144,146,039	25,900,498	74,274,797	244,321,334
Excess (deficiency) of revenues over (under) expenditures	(3,614,843)	(1,247,448)	(33,759,862)	(38,622,153)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,471,275	-	23,717,668	33,188,943
Transfers (out)	(9,375,003)	(314,631)	(23,030,358)	(32,719,992)
Proceeds from sale of general capital assets	224,559	-	-	224,559
Issuance of finance lease	9,000,000	-	-	9,000,000
Issuance of bond	-	-	29,900,000	29,900,000
Investment loss	(231,367)	-	(199,296)	(430,663)
Insurance recoveries	31,494	-	-	31,494
Total other financing sources	9,120,958	(314,631)	30,388,014	39,194,341
Net change in fund balance	5,506,115	(1,562,079)	(3,371,848)	572,188
Beginning fund balances (deficit)	50,224,031	(972,720)	64,509,142	113,760,453
Ending fund balances (deficit)	\$ 55,730,146	\$ (2,534,799)	\$ 61,137,294	\$ 114,332,641

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Net change in fund balances - total governmental funds		\$ 572,188
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
Capital asset purchases capitalized	\$ 17,600,532	
Capital assets donated	3,589,277	
Depreciation expense	(16,699,679)	
Less: depreciation expense reported in the Internal Service Funds	19,171	4,509,301
<p>Certain lease expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds.</p>		
		(34,274)
<p>In the Statement of Activities, the gain or loss on disposal of capital assets is reported. Conversely, governmental funds do not report gain or loss on the disposal of capital assets.</p>		
Net book value of disposed capital assets		(48,746)
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. The change in net income of the internal service funds is included in governmental activities in the statement of activities.</p>		
		67,066
<p>Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.</p>		
Property tax		4,704
Intergovernmental revenues		7,192
<p>Governmental funds report bond proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the statement of activities treats such repayment as a reduction in long-term liabilities. This is the amount by which proceeds exceeded repayments.</p>		
Proceeds from bonds issued	\$ (29,900,000)	
Proceeds from finance lease issued	(9,000,000)	
Principal retirement of long-term debt	38,221,059	
Amortization of premium	3,112,086	
Amortization of discount	(20,000)	
Amortization of bond refunding deferred charge	(110,746)	2,302,399
<p>Some expenses reported in the statement of activities do not require the use of current financial resources, and these are not reported as expenditures in governmental funds:</p>		
Accrued compensated absences	\$ 424,965	
Pension expense	1,485,002	
Accrued interest payable	245,949	2,155,916
<p>Eliminations in the consolidation of internal service funds resulted in a net increase in expenses for the business-type activities in the statement of activities.</p>		
		4,676,055
Change in net position of governmental activities		\$ 14,211,801

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 172,777,985	\$ 9,651,955	\$ 29,481,071	\$ 211,911,011	\$ 93,124,824
Investments	74,527,490	2,078,220	16,042,585	92,648,295	-
Restricted investments	2,548,269	-	1,037,838	3,586,107	-
Accounts receivable, net	13,585,194	72,541	450	13,658,185	786,297
Accrued interest receivable	367,708	9,785	75,532	453,025	-
Lease receivable, current portion	136,948	-	-	136,948	-
Due from federal government	60	-	55,694	55,754	-
Due from state government	82,883	-	-	82,883	-
Due from other funds	28,641,363	-	-	28,641,363	15,993,403
Due from component units	200,000	-	-	200,000	-
Inventory	2,855,129	47,295	-	2,902,424	1,145,357
Prepaid expenses	191,098	35,725	9,081	235,904	96,120
Real estate held for resale	-	-	441,335	441,335	-
Total current assets	295,914,127	11,895,521	47,143,586	354,953,234	111,146,001
Noncurrent assets					
Mortgage notes receivable, net	402,195	-	21,675,123	22,077,318	-
Investments	1,757,301	-	28,383,680	30,140,981	-
Prepaid bond insurance costs	-	182,273	-	182,273	-
Advances to other funds	1,150,042	-	-	1,150,042	-
Lease receivable, net of current portion	4,277,057	-	-	4,277,057	-
Right to use leased assets net of amortization	111,806	5,185,139	-	5,296,945	158,935
Capital assets					
Land	15,671,561	16,806,856	582,854	33,061,271	-
Buildings, improvements and utility plant	1,328,865,495	57,919,864	53,691,427	1,440,476,786	914,576
Machinery and equipment	84,054,223	2,735,899	5,351,842	92,141,964	1,587,337
Less accumulated depreciation	(644,788,911)	(27,799,398)	(19,202,552)	(691,790,861)	(2,338,034)
Construction in progress	240,240,217	15,707,932	18,108,379	274,056,528	-
Net capital assets	1,024,042,585	65,371,153	58,531,950	1,147,945,688	163,879
Total noncurrent assets	1,031,740,986	70,738,565	108,590,753	1,211,070,304	322,814
TOTAL ASSETS	1,327,655,113	82,634,086	155,734,339	1,566,023,538	111,468,815
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	51,770,657	-	-	51,770,657	-
Deferred outflows related to other postemployment benefits liability	17,308,592	1,154,997	1,336,836	19,800,425	55,458,620
Deferred outflows related to net pension liability	8,797,967	639,110	758,740	10,195,817	1,122,301
Accumulated decrease in fair value of hedging derivatives	15,165,972	-	-	15,165,972	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	93,043,188	1,794,107	2,095,576	96,932,871	56,580,921

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
LIABILITIES					
Current liabilities					
Accounts payable	\$ 21,048,119	\$ 180,720	\$ 863,807	\$ 22,092,646	\$ 2,489,396
Accrued salaries and benefits	1,788,671	107,835	153,428	2,049,934	257,426
Compensated absences, current portion	361,475	26,184	19,699	407,358	71,654
Retainage payable	4,999,289	-	7,151	5,006,440	-
Lease liability, current portion	56,580	107,067	-	163,647	52,867
Accrued interest payable	10,122,780	585,743	737,333	11,445,856	53
Revenue bonds payable, current portion	20,660,000	1,670,000	720,000	23,050,000	-
Forgivable loan	77,505	-	-	77,505	-
Due to other funds	-	15,993,403	9,284,283	25,277,686	3,250,181
Deposits payable	326,270	-	-	326,270	-
Unearned revenue	4,940	7,608	85,817	98,365	-
Accrued liability for claims	23,600	-	-	23,600	17,359,855
Total current liabilities	59,469,229	18,678,560	11,871,518	90,019,307	23,481,432
Noncurrent liabilities					
Lease liability, net of current portion	57,985	5,140,264	-	5,198,249	106,343
Compensated absences, net of current portion	1,445,900	104,734	92,906	1,643,540	286,618
Net pension liability	43,460,372	3,287,413	3,946,160	50,693,945	4,723,175
Total OPEB liability	45,195,892	2,920,954	4,437,259	52,554,105	157,370,638
Revenue bonds payable, net of current portion	700,599,942	31,830,000	39,901,304	772,331,246	-
Derivative instrument liability - interest rate swap	15,165,972	-	-	15,165,972	-
Total noncurrent liabilities	805,926,063	43,283,365	48,377,629	897,587,057	162,486,774
TOTAL LIABILITIES	865,395,292	61,961,925	60,249,147	987,606,364	185,968,206
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to other postemployment benefits liability	17,908,140	1,195,005	1,383,142	20,486,287	57,379,640
Deferred inflows related to net pension liability	9,301,934	627,753	729,611	10,659,298	1,286,962
Deferred inflow - leases	4,403,038	-	-	4,403,038	-
TOTAL DEFERRED INFLOWS OF RESOURCES	31,613,112	1,822,758	2,112,753	35,548,623	58,666,602
FUND NET POSITION					
Net investment in capital assets	351,311,312	31,871,153	46,287,175	429,469,640	163,879
Restricted for debt service	2,548,269	-	1,037,838	3,586,107	-
Unrestricted	169,830,316	(11,227,643)	48,143,002	206,745,675	(76,748,951)
TOTAL FUND NET POSITION	\$ 523,689,897	\$ 20,643,510	\$ 95,468,015	639,801,422	\$ (76,585,072)
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				(42,609,100)	
Net position of business-type activities				<u>\$ 597,192,322</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for service	\$ 177,389,548	\$ 7,092,178	\$ 18,311,049	\$ 202,792,775	\$ 50,444,929
Intergovernmental revenue	-	-	22,391	22,391	31,921
Other operating revenue	47,878	1,445,510	-	1,493,388	1,154
Total operating revenues	177,437,426	8,537,688	18,333,440	204,308,554	50,478,004
Operating expenses					
Personnel services	39,603,592	2,594,343	3,749,365	45,947,300	17,000,526
Materials and supplies	14,135,459	151,013	226,353	14,512,825	9,372,689
Other services and charges	36,079,825	1,148,149	4,915,648	42,143,622	3,997,106
Heat, light and power	6,344,556	243,187	-	6,587,743	3,870
Depreciation	41,283,322	1,542,062	2,235,067	45,060,451	19,171
Amortization	57,418	177,358	-	234,776	52,978
Claims and premiums	-	-	-	-	29,665,130
Loan bad debt expense	-	-	110,733	110,733	-
Total operating expenses	137,504,172	5,856,112	11,237,166	154,597,450	60,111,470
Operating income (loss)	39,933,254	2,681,576	7,096,274	49,711,104	(9,633,466)
Nonoperating revenues (expenses)					
Investment income (loss)	(1,890,494)	(54,769)	(344,527)	(2,289,790)	145,916
Lease revenue	216,747	111,405	-	328,152	-
Other nonoperating revenue	74,988	18,627	-	93,615	-
Federal grant revenue	-	-	751,600	751,600	-
State grant revenue	589,449	-	-	589,449	-
Gain from sale of assets	301,374	-	743	302,117	-
Interest expense	(22,622,215)	(1,497,035)	(1,613,828)	(25,733,078)	(762)
Bond related costs	(38,163)	(1,000)	(2,750)	(41,913)	-
Amortization of deferred charges	(3,024,049)	(12,499)	-	(3,036,548)	-
Total nonoperating revenues (expenses)	(26,392,363)	(1,435,271)	(1,208,762)	(29,036,396)	145,154
Income (loss) before contributions and transfers	13,540,891	1,246,305	5,887,512	20,674,708	(9,488,312)
Capital contributions and transfers					
Transfers in	-	-	972,657	972,657	12,971,275
Transfers out	(8,743,771)	(938,159)	(1,315,056)	(10,996,986)	(3,415,897)
Capital contributions	7,147,240	-	-	7,147,240	-
Total capital contributions and transfers	(1,596,531)	(938,159)	(342,399)	(2,877,089)	9,555,378
Change in net position	11,944,360	308,146	5,545,113	17,797,619	67,066
Net position - beginning of period	511,745,537	20,335,364	89,922,902		(76,652,138)
Net position - ending	\$ 523,689,897	\$ 20,643,510	\$ 95,468,015		\$ (76,585,072)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(4,676,055)	
Change in net position of business-type activities				\$ 13,121,564	

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 176,380,585	\$ 8,539,235	\$ 18,427,821	\$ 203,347,641	\$ 549,486
Internal activity - receipts from other funds	-	-	-	-	49,611,116
Internal activity - payments to other funds	(2,250,732)	(75,134)	(405,159)	(2,731,025)	-
Payments to suppliers	(66,216,878)	(4,297,468)	(7,790,125)	(78,304,471)	(12,741,243)
Claims paid	-	-	-	-	(27,595,514)
Payments to employees	(23,953,398)	(1,500,340)	(1,988,281)	(27,442,019)	(3,673,392)
Net cash provided by operating activities	83,959,577	2,666,293	8,244,256	94,870,126	6,150,453
Cash flows from noncapital financing activities					
Advances from other funds	-	15,993,403	290,374	16,283,777	2,300,412
Advances to other funds	(7,458,144)	-	(235,043)	(7,693,187)	(15,997,532)
Nonoperating grants	576,048	-	695,906	1,271,954	-
Transfers in	-	-	972,657	972,657	12,971,275
Transfers out	(8,743,771)	(938,159)	(1,315,056)	(10,996,986)	(3,415,897)
Net cash (used in) provided by noncapital financing activities	(15,625,867)	15,055,244	408,838	(161,785)	(4,141,742)
Cash flows from capital and related financing activities					
Principal paid on bonds and notes	(18,505,000)	(1,375,000)	(685,000)	(20,565,000)	-
Payment for lease liability	(54,659)	(115,166)	-	(169,825)	(52,703)
Interest paid	(24,511,025)	(1,510,889)	(1,803,850)	(27,825,764)	(709)
Payments for bond related costs	(50,752)	(1,000)	(2,750)	(54,502)	-
Purchase of capital assets	(70,860,368)	(12,627,499)	(5,703,874)	(89,191,741)	-
Proceeds from sale of capital assets	378,523	-	743	379,266	-
Net cash used in capital and related financing activities	(113,603,281)	(15,629,554)	(8,194,731)	(137,427,566)	(53,412)
Cash flows from investing activities					
Purchase of investments	-	(327,938)	-	(327,938)	-
Sale of investments	69,131,444	-	6,914,911	76,046,355	-
Receipts of property rentals	205,780	111,405	-	317,185	-
Advances of mortgage notes receivable	(302,540)	-	-	(302,540)	-
Collections of mortgage notes receivable	-	-	1,694,398	1,694,398	-
Interest received	66,211	-	59,624	125,835	145,916
Net cash provided by (used in) investing activities	69,100,895	(216,533)	8,668,933	77,553,295	145,916
Net increase in cash and cash equivalents	23,831,324	1,875,450	9,127,296	34,834,070	2,101,215
Cash and cash equivalents, July 1, 2021	148,946,661	7,776,505	20,353,775	177,076,941	91,023,609
Cash and cash equivalents, June 30, 2022	\$ 172,777,985	\$ 9,651,955	\$ 29,481,071	\$ 211,911,011	\$ 93,124,824

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water/Sewer Facilities Fund	Parking Facilities Fund	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 39,933,254	\$ 2,681,576	\$ 7,096,274	\$ 49,711,104	\$ (9,633,466)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	41,283,322	1,542,062	2,235,067	45,060,451	19,171
Amortization	57,418	177,358	-	234,776	52,978
Accrued benefits related to net pension liability	(875,178)	(65,657)	4,740	(936,095)	(952,376)
Bad debt expense	-	-	110,733	110,733	-
Change in operating assets and liabilities					
Accounts receivable	(1,163,033)	15,970	300	(1,146,763)	(300,286)
Inventory	(150,688)	11,449	-	(139,239)	(229,163)
Prepaid expenses	25,904	5,472	(1,038)	30,338	1,948,410
Accounts payable	1,841,266	(1,868,120)	(1,638,907)	(1,665,761)	792,988
Accrued salaries	185,634	7,575	38,478	231,687	22,750
Accrued compensated absences	(248,241)	(7,420)	13,724	(241,937)	(2,462)
OPEB liability	2,963,727	180,451	401,537	3,545,715	12,379,409
Unearned revenue	(220,078)	(14,423)	(16,652)	(251,153)	(17,116)
Deposits payable	326,270	-	-	326,270	-
Accrued liability for claims	-	-	-	-	2,069,616
Total adjustments	<u>44,026,323</u>	<u>(15,283)</u>	<u>1,147,982</u>	<u>45,159,022</u>	<u>15,783,919</u>
Net cash provided by operating activities	<u>\$ 83,959,577</u>	<u>\$ 2,666,293</u>	<u>\$ 8,244,256</u>	<u>\$ 94,870,126</u>	<u>\$ 6,150,453</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2022

	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
ASSETS		
Cash and cash equivalents	<u>\$ 5,789</u>	<u>\$ 103,351</u>
Total assets	<u>5,789</u>	<u>103,351</u>
LIABILITIES		
Accounts payable	<u>-</u>	<u>28,276</u>
Total liabilities	<u>-</u>	<u>28,276</u>
NET POSITION		
Held in trust - other purposes	<u>\$ 5,789</u>	<u>\$ 75,075</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

Year Ended June 30, 2022

	Private- Purpose Trust Funds	Custodial Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Private donations	\$ 14,919	\$ 115,327
Total additions	<u>14,919</u>	<u>115,327</u>
 DEDUCTIONS		
Program expenses	14,065	-
Payments to other governments	<u>-</u>	<u>40,252</u>
Total deductions	<u>14,065</u>	<u>40,252</u>
 Change in net position	854	75,075
 Net position - beginning	<u>4,935</u>	<u>-</u>
 Net position - ending	<u><u>\$ 5,789</u></u>	<u><u>\$ 75,075</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION -
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS**

June 30, 2022

	Columbia Housing Development Corporation	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ 829,175	\$ 612,014	\$ 11,810,794	\$ 688,676	\$ 872,204	\$ 14,812,863
Certificates of deposit	100,000	-	-	100,000	1,338,855	1,538,855
Cash on deposit with escrow agent	-	-	5,557,193	-	-	5,557,193
Accounts receivable, net	1,048	-	431,212	165,471	18,921	616,652
Accrued interest receivable	-	-	-	-	344	344
Mortgage notes receivable, current portion	33,493	-	-	-	94,009	127,502
Prepaid expenses	3,806	3,874	359,848	17,532	6,411	391,471
Lease receivable, current portion	51,844	-	-	649,848	286,472	988,164
Restricted assets						
Restricted cash	-	-	-	-	25,451	25,451
Real estate held for sale and development	28,800	-	-	-	-	28,800
Total current assets	<u>1,048,166</u>	<u>615,888</u>	<u>18,159,047</u>	<u>1,621,527</u>	<u>2,642,667</u>	<u>24,087,295</u>
Capital assets						
Right to use leased assets net of amortization	-	-	131,431	-	-	131,431
Capital assets, not being depreciated	77,398	58,000	-	710,731	1,285,430	2,131,559
Capital assets, net of accumulated depreciation	<u>381,588</u>	<u>353,235</u>	<u>2,666,578</u>	<u>1,934,810</u>	<u>1,840,843</u>	<u>7,177,054</u>
Net capital assets	<u>458,986</u>	<u>411,235</u>	<u>2,798,009</u>	<u>2,645,541</u>	<u>3,126,273</u>	<u>9,440,044</u>
Other assets						
Mortgage note receivable, net of allowance	383,037	-	-	-	1,351,510	1,734,547
Lease receivable, net of current portion	-	-	-	634,361	1,114,943	1,749,304
Real estate held for sale and development	497,854	488,307	-	554,791	-	1,540,952
Organizational costs	-	-	-	-	829	829
Security deposits	-	-	2,000	-	-	2,000
Cash on deposit with escrow agent	-	-	4,340,466	-	-	4,340,466
Total other assets	<u>880,891</u>	<u>488,307</u>	<u>4,342,466</u>	<u>1,189,152</u>	<u>2,467,282</u>	<u>9,368,098</u>
Total noncurrent assets	<u>1,339,877</u>	<u>899,542</u>	<u>7,140,475</u>	<u>3,834,693</u>	<u>5,593,555</u>	<u>18,808,142</u>
TOTAL ASSETS	<u>2,388,043</u>	<u>1,515,430</u>	<u>25,299,522</u>	<u>5,456,220</u>	<u>8,236,222</u>	<u>42,895,437</u>

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION -
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

June 30, 2022

	Columbia Housing Development Corporation	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	Total
LIABILITIES						
Current liabilities						
Accounts payable	\$ 21,293	\$ 23,164	\$ 286,355	\$ 44,999	\$ 32,747	\$ 408,558
Accrued expenses	9,653	2,963	213,778	21,826	15,923	264,143
Customer deposits	4,000	1,100	-	41,003	25,451	71,554
Due to primary government	100,000	-	-	100,000	-	200,000
Compensated absences	3,104	-	195,812	4,240	5,561	208,717
Mortgage/bonds/notes payable/ lines of credit - current portion	-	542,981	-	2,613,971	-	3,156,952
Lease liability	-	-	27,403	-	-	27,403
Unearned revenue	115,272	-	1,219,384	11,653	200,000	1,546,309
Total current liabilities	253,322	570,208	1,942,732	2,837,692	279,682	5,883,636
Noncurrent liabilities						
Compensated absences	12,416	-	-	16,960	22,244	51,620
Mortgage/bonds/lines of credit payable	621,723	-	-	545,967	-	1,167,690
Lease liability	-	-	104,833	-	-	104,833
Paycheck Protection Program loan	-	-	-	-	-	-
Due to grantor agency	-	6,501	-	-	-	6,501
Total noncurrent liabilities	634,139	6,501	104,833	562,927	22,244	1,330,644
TOTAL LIABILITIES	887,461	576,709	2,047,565	3,400,619	301,926	7,214,280
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - leases	51,844	-	-	1,284,209	1,401,415	2,737,468
NET POSITION						
Net investment in capital assets	(162,737)	411,235	2,666,578	(514,397)	3,126,273	5,526,952
Restricted						
Community development	28,800	38,245	-	-	-	67,045
Tourism	-	-	9,409,687	-	-	9,409,687
Unrestricted	1,582,675	489,241	11,175,692	1,285,789	3,406,608	17,940,005
TOTAL NET POSITION	\$ 1,448,738	\$ 938,721	\$ 23,251,957	\$ 771,392	\$ 6,532,881	\$ 32,943,689

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES -
BUSINESS-TYPE ACTIVITY DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2022

	Program Revenue				Net (Expense) Revenues and Changes in Net Position					Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Columbia Housing Development Corporation	Eau Claire Development Corporation	Experience Columbia SC	TN Development Corporation	Columbia Empowerment Zone, Inc.	
Columbia Housing Development Corporation										
Community Development	369,243	52,265	-	-	(316,978)	-	-	-	-	(316,978)
Eau Claire Development Corporation										
Community Development	143,276	13,003	-	-	-	(130,273)	-	-	-	(130,273)
Experience Columbia SC										
Community Promotions	10,315,932	12,416,835	-	-	-	2,100,903	-	-	-	2,100,903
TN Development Corporation										
Community Development	1,579,583	1,069,846	-	-	-	-	(509,737)	-	-	(509,737)
Columbia Empowerment Zone, Inc.										
Community Development	889,694	401,398	-	-	-	-	-	(488,296)	-	(488,296)
Total component units	<u>\$ 13,297,728</u>	<u>\$ 13,953,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(316,978)</u>	<u>(130,273)</u>	<u>2,100,903</u>	<u>(509,737)</u>	<u>(488,296)</u>	<u>655,619</u>
General revenues:										
Appropriations - City of Columbia					179,664	231,675	-	430,345	295,284	1,136,968
Investment earnings					-	42	30,384	-	-	30,426
Gain on disposal of capital assets					25,072	-	-	-	-	25,072
Other revenues					4,110	10,000	-	-	-	14,110
Total general revenues					<u>208,846</u>	<u>241,717</u>	<u>30,384</u>	<u>430,345</u>	<u>295,284</u>	<u>1,206,576</u>
Change in net position					(108,132)	111,444	2,131,287	(79,392)	(193,012)	1,862,195
Net position - beginning of period					1,556,870	827,277	21,120,670	850,784	6,725,893	31,081,494
Net position - ending					<u>\$ 1,448,738</u>	<u>\$ 938,721</u>	<u>\$ 23,251,957</u>	<u>\$ 771,392</u>	<u>\$ 6,532,881</u>	<u>32,943,689</u>

The accompanying notes are an integral part of these financial statements.

INDEX TO NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, SOUTH CAROLINA
Index to Notes to Financial Statements
Year Ended June 30, 2022

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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia (the City), a political subdivision of the State of South Carolina, incorporated in 1854, is located in the central part of South Carolina. Columbia is the state capital as well as the county seat of Richland County. The City has an estimated population of approximately 137,960 living within an area of approximately 135 square miles. The Greater Columbia Metropolitan Area consists of Lexington and Richland Counties and has an estimated population of 836,324. The City's economy is driven by education, government, military, health care, finance, and industry. In 1950, the City approved a charter adopting a Council-Manager form of government and is governed by a six member council and Mayor.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant of these accounting policies are described below.

A. REPORTING ENTITY

The basic financial statements of the City present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete. As required by GAAP, the financial statements of the City must present the City's financial information along with its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability which is presumed to exist if the City both appoints a voting majority of the entity's governing body, and either (1) the City is able to impose its will on the entity or, (2) there is a potential for the entity to provide specific financial benefits to or impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity's resources; (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, provide financial support to, the entity; or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance part of the government's operations, and data from these units are combined with the data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the entity-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has two blended component units and five discretely presented component units.

Blended Component Units

Public Facilities Corporation

This is a single-purpose corporate entity that was formed in 2002 as a non-profit corporation to undertake certain obligations with respect to the acquisition of real and personal property and the design, construction, operation, and financing of a multipurpose conference/convention center and other improvements. Its board is comprised of the City Manager of Columbia, the Assistant City Manager for Operations, and the Assistant City Manager for Finance and Economic Services or the equivalent thereof. For details of the outstanding debt see Note III. H. The balances of this entity are reported in the Tourism Development Convention Center fund, a nonmajor special revenue fund. The Corporation does not issue separate financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Blended Component Units (Continued)

Municipal Complex

The Municipal Complex represents the building located at 1401 Main St., Columbia, SC, which is owned by the City. The Municipal Complex houses City offices and tenants for which the City takes in rent. The Municipal Complex is reported within the General Fund and does not issue separate financial statements.

Discretely Presented Component Units

Columbia Housing Development Corporation (CHDC)

The CHDC, an eleemosynary organization, was formed in 1980 to assist the City in the development of housing and to promote growth in the residential base of the community. The twelve-member Board of Directors is composed of three members of City Council, the Mayor, the City Manager, and seven members that are appointed by City Council. In an ex-officio capacity, city staff serves as the Secretary/Treasurer and the Executive Director. Funding for CHDC is derived from sale of properties, interest income, mortgage receivables, and appropriations from the City.

Eau Claire Development Corporation (ECDC)

Incorporated in 1993, the ECDC provides assistance in the conservation and redevelopment of neighborhoods located in the Eau Claire area of North Columbia. The nine-member Board of Directors is composed of three City Council members and six members appointed by City Council. Current funding is derived from appropriations from the City of Columbia, grants, sale of properties, and rents.

Experience Columbia SC

Experience Columbia SC is comprised of the Columbia Metropolitan Convention and Visitors Bureau (the "Bureau") and Midlands Authority for Conventions, Sports and Tourism (the "Authority"). The Bureau is a not-for-profit organization established to enhance the economic growth of Lexington and Richland counties. The Authority is a not-for-profit organization consisting of the Convention Center Authority, which was incorporated in July 2001 and was formed to oversee the development of a regional convention center and operate the convention center for the mutual benefit of the City and Richland and Lexington counties (the "Governmental Entities") and the Bureau. Experience Columbia SC has a nine member board of directors appointed by the Governmental Entities. Lexington and Richland counties appoint two directors each and the remaining directors are appointed by the City. The Governmental Entities have pledged their tourism development fees to support this project. The City also issued debt to fund this project and is responsible for the debt payments. The City is also required to fund any operating deficits incurred. The City owns the building where Experience Columbia SC is located.

TN Development Corporation (TNDC)

Incorporated in 1993 as an eleemosynary organization, the TNDC was organized to promote growth and develop opportunities for affordable rental housing. The ten-member Board of Directors is composed of three members from City Council and seven members appointed by City Council. Funding for the TNDC is derived from rental income, the State of South Carolina Housing Trust Fund, the Federal Home Loan Bank, HOME Program funds received as a subrecipient through the City, other grants, and appropriations from the City.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY (Continued)

Discretely Presented Component Units (Continued)

Columbia Empowerment Zone, Inc. (CEZ)

Incorporated in 2009, the CEZ was formed to carry out the mission of the Columbia Empowerment Zone, Inc., a federally designated area (1999-2009). The purpose of CEZ is to initiate, develop, and maintain projects and programs in economically depressed or blighted areas that encourage the attraction and utilization of both public and private investment capital. The Board of Directors is composed of nine members. New board members are appointed by the existing board. The entity promotes: the fostering of sustainable business; government and community alliances to help lessen the burdens of government; reduction of physical and economic blight; combating community deterioration by fostering business attraction, retention, and expansion in areas in need of permanent job opportunities; workforce advancement and general growth opportunities. Funding for the CEZ is derived from appropriations from the City, loan repayments, rental income, and grant funds. The City provides appropriations to support CEZ when it experiences operating deficits that are not financed by other means. Upon dissolution, any remaining assets of CEZ would revert to the City.

Complete financial statements of the discretely presented individual Component Units can be requested from the City's Chief Financial Officer at 1737 Main Street Columbia, SC 29201.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the non-fiduciary activities of the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, inter-governmental revenue, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The City's internal service funds are a cost allocation of shared services and are combined with the governmental funds to produce the government wide financial statements. These statements include all funds of the reporting entity except for fiduciary funds.

FUND FINANCIAL STATEMENTS

The City uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: Governmental, Proprietary, and Fiduciary as follows:

Governmental Fund Types:

General Fund

The General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types (Continued):

Special Revenue Funds

These funds are used to account for revenue derived from specific taxes, governmental grants, and other revenue sources that are designated to finance particular functions or activities of the City. Special Revenue Funds include:

- County Services (a major fund) – Revenues received in this fund must be used to provide fire services and 911 emergency communications to Richland County citizens residing outside the City limits.
- Liquor Permit Fee – accounts for receipts from the sale of temporary permits to allow the possession, sale, and consumption of alcoholic liquors for a period not to exceed 24 hours. Expenditures from this fund must be used for the promotion of tourism or youth mentoring programs.
- Business Improvement District – accounts for the Business Improvement District taxes assessed on the businesses in the downtown area of the City to promote downtown beautification.
- Accommodations Tax – accounts for State Hotel Accommodations Tax receipts to promote tourism-related activities of City organizations. Expenditures from this fund must be used for the promotion of tourism.
- Confiscated Drug Program – accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies. Expenditures from this fund must be used to enhance public safety.
- Hospitality Tax – accounts for a local 2% gross sales tax on prepared food and beverages sold in establishments to promote tourism-related activities of the City. Expenditures from this fund must be used to promote tourism.
- Community Development – accounts for the Community Development Block Grants and other community development type grants. Expenditures from this fund must be used on activities that enhance the community.
- Federal Grants – accounts for federal grant funds received except for Community Development Block Grants.
- Other Programs – provides for miscellaneous programs for park improvements and special events.
- Tourism Development Convention Center – accounts for the Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improving the services provided to tourists. This fund also accounts for the activities of the Public Facilities Corporation, a blended component unit.

Debt Service Fund

This fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments financed by proprietary fund types. Transfers, interest earned on the investments of the Debt Service Fund, and if applicable, interest earned on investments of certain Capital Projects Funds, are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Governmental Fund Types (Continued):

Capital Projects Funds

The Capital Projects Funds account for all capital improvements, except those accounted for in Proprietary Funds, financed by the City's general obligation bond issues, certain Federal grants, and other specific receipts. These funds include:

- Congaree Vista District – accounts for the construction and development of parks and infrastructure within the Congaree Vista Redevelopment District.
- Streetscaping – accounts for capital improvements to street landscaping.
- General Capital Projects – accounts for various capital projects funded by various funds.
- Miscellaneous Projects – accounts for various capital projects funded by the General Fund.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the City's programs. This fund includes:

- Anna Dickson Trust – accounts for trust funds specifically intended for the income to be used for beautification of the parks. The funds are invested in an interest bearing account. The amount invested equals the fair value.

Proprietary Fund Types:

Business-type Funds

The business-type funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds include:

- Water/Sewer Facilities Fund (a major fund) – accounts for water and sewer utility activities.
- Parking Facilities Fund (a major fund) – accounts for parking garage and parking ticket activities.
- Hydro-electric Facilities Fund – accounts for hydro-electric plant activities.
- Stormwater Facilities Fund – accounts for stormwater utility activities.
- Redevelopment Programs Fund – accounts for various home rehabilitation and mortgage lending programs funded from various sources.
- Parks and Recreation Camp Fund – accounts for parks and recreation camp activities.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a user charge basis. These nonmajor funds include:

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

FUND FINANCIAL STATEMENTS (Continued)

Proprietary Fund Types (Continued):

- Fleet Management – accounts for the maintenance and repair of movable vehicles.
- Support Services – accounts for a decentralized business-type inventory system, a central supply facility, procurement functions, and the City's general maintenance functions.
- Risk Management – accounts for the costs associated with self-funded liability plans for employee health, worker's compensation, and tort liability for all City departments.

Fiduciary Funds Types (Not included in government-wide statements):

Transactions related to assets held by the City as a custodian of a private organization are accounted for in Fiduciary Fund types. These are presented separately in the statements. The City's fiduciary fund types are comprised of:

Custodial Fund

This fund is used to account for assets held by the City as an custodian.

Private-Purpose Trust Funds

These funds are used to account for assets held by the City in a trustee capacity under which principal and income benefit individuals, private organizations, or other governments.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City.

Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary funds and fiduciary fund financial statements. The custodial funds use the *economic resources measurement focus*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see below for further detail). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government wide statements and the statements for governmental funds.

The governmental fund financial statements are accounted for using a *current financial resources measurement focus*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets, and the unassigned fund balance is a measure of available spendable resources.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement* focus. All governmental fund types use the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the transaction can be identified, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues available, including property taxes, if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Sales taxes, hospitality taxes, admission taxes, grant funds, charges for services, intergovernmental revenue, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Refundable advances arise when resources are received by the City before it has a legal claim to them as when grant monies are received prior to the occurrence of the qualifying expenditures. When the revenue recognition criteria are met and the City has a legal claim to the resources, the liability for the advance is removed from the balance sheet, and revenue is recognized.

Proprietary fund types are accounted for using a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred. The City follows the provisions of GASB Statement No.62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions restricted to meeting the operational requirements of a particular function or segment; and (3) capital grants and contributions restricted to meeting the capital requirements of a particular function or segment. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, realizable value of real estate held for sale, impairment of assets, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deposits

City procedures require that all unrestricted cash belonging to the City be placed in a "Pooled Cash" account to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes, and each fund has equity in the pooled accounts.

The City considers cash and cash equivalents (including restricted cash and cash equivalents) to be: currency on hand, demand deposits with banks, amounts included in pooled cash, investment accounts, and liquid investments with an original maturity of three months or less when purchased.

Investments

In accordance with GASB 31 and GASB 72, investments in all funds are stated at fair value. State statutes authorize the City to invest in certificates of deposit, United States Treasury and United States Agency obligations, South Carolina and related political subdivision general obligation bonds, and repurchase agreements collateralized by these obligations.

Inventory and Prepaid Assets

In both the government-wide and the fund financial statements, all inventories are recorded in the respective fund at cost or estimated historical cost on a first-in, first-out (FIFO) basis. The related expenditures or expenses are recognized when inventories are consumed. Changes in the year-end inventory are reflected in expenses.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method of accounting to record prepayments. Under the consumption method, prepaid items are recognized proportionately over the period in which the service is provided.

Real Estate

Real estate held for sale and development is recorded at the lower of cost or net realizable value. Real estate held for sale or development is classified as noncurrent if the use of the proceeds is restricted in some way.

Mortgage Notes and Notes Receivable and Allowance for Loan Losses

Mortgage notes receivable, secured by the financed property, and other notes receivable are recorded in various business-type funds and component units and are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by estimated uncollectible loans, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experiences, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay the loan, estimated value of any underlying collateral, and current economic conditions. Interest is accrued monthly on notes receivable and stops when the notes go into default.

Accounts Receivable and Allowance for Bad Debt

Accounts receivable are recorded in various funds and are stated net of their allowance for uncollectible accounts.

Lease Receivable

In accordance with implementation of GASB 87, a lessor is required to recognize a lease receivable. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Interfund Balances

Balances between funds that are outstanding at the end of the fiscal year and expected to be repaid within the current period are referred to as “due to/from other funds.” Balances between funds not expected to be repaid within the current period are referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets

In the government-wide financial statements, capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition value.

Under the provisions of GASB 34, the City switched from the modified method to the straight-line depreciation method of reporting infrastructure during the year ended June 30, 2006. To determine the historical value of the infrastructure, the City used the information provided by the Department of Utilities and Engineering on streets acquired during fiscal years 2003 through 2006. This information provided the street name and the cost or estimated cost of the street at acquisition. These amounts also included sidewalks, curbs, and gutters adjacent to the street acquired. The City determined the life of the streets to be 20 years.

Infrastructure assets acquired prior to 1986 would have been fully depreciated and were not considered in this calculation. For those assets acquired between fiscal years 1986 and 2006, the acquisition date is assumed to have been on the last day of the fiscal year. For assets acquired after 2006, the acquisition date is the actual date of purchase. Infrastructure assets acquired during fiscal year 2006 to the present are depreciated from the date of acquisition.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the estimated useful lives as follows:

Improvements	10-50 years
Buildings and Utility Plant	15-50 years
Infrastructure	20 years
Office Furniture and Equipment	5-15 years
Machinery	5-12 years

Right to Use Leased Assets

In accordance with implementation of GASB 87, the City has recorded the right to use leased assets. These assets are initially measured by the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. These right to use assets are amortized on a straight line basis over the life of the lease.

Restricted Assets

Restricted assets consist of real estate that is held for sale and development, restricted cash, and restricted investments.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Compensated Absences

It is the City's policy to allow employees to accumulate unused vacation and sick leave benefits up to certain maximum hours. Once an employee has completed the probationary period, any accumulated unused vacation and 20% of unused sick leave, as restricted below, are payable upon termination of employment with the City. An employee with service of less than 10 years may receive up to a maximum of two weeks of accrued compensated absences. An employee with service of 10 to 20 years may receive up to a maximum of four weeks, and service of over 20 years may receive a maximum of five weeks. Maximum carryover allowed per employee is 10 weeks of accrued compensated absences.

The liability for compensated absences in the government-wide, proprietary, and fiduciary fund financial statements is calculated based upon recorded balances of unused leave for which the City would compensate employees if employment ended June 30, 2022. The change in this calculated amount from the previous year is expensed in current operations. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Refundable Advances

Refundable advances consists of federal grant funds either received by the City from federal agencies in advance for services not yet delivered or funds that are to be returned to a federal agency due to noncompliance with the requirements of a federal grant agreement.

Unearned Revenues

Unearned revenues consist of funds received by the City from other than federal agencies in advance of meeting all of the requirements necessary to recognize the revenue.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt is reported net of applicable premiums and discounts on the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method which does not significantly differ from the effective interest method. Deferred refunding costs are reported as deferred inflows or outflows and recognized as a component of interest expense in a systematic and rational manner over the remaining term of the old debt or the term of the new debt, whichever is shorter.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issue and refunding costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Payments to refunded bonds escrow agents are reported as other financing uses to the extent the proceeds from the bond are used to make the payment. Any payment made from funds on hand is reported as an expenditure.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred charge on refunding, the deferred outflows related to the net pension liability and OPEB liability, and the accumulated decrease in the fair value of hedging derivatives reported in the entity-wide statement of net position and in the statement of net position of the Water and Sewer Facilities fund financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Deferred Outflows of Resources (Continued)

A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the term of the refunded or refunding debt. The change in fair value of hedging derivatives results from changes in cash flows and interest rates over the term of the interest rate swap. The deferred outflows related to the net pension liability and OPEB liability result from contributions made to the South Carolina Public Employee Benefit Authority subsequent to the measurement date, which will be recognized as reductions of the liabilities in the subsequent year, changes in assumptions, and differences between expected and actual experience, which will be amortized beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants. Differences between projected investment return on investments and actual return on those investments will be amortized over a five year period, and changes in the proportionate share and differences between employer contributions and proportion and the proportionate share of total plan employer contributions will be recognized as a reduction of the liability over a four year period.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items that qualify for reporting in this category. One type, unavailable revenue, arises only under a modified accrual basis of accounting. Accordingly, this type is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the periods the amounts become available. The second type is revenue received before time requirements are met, but after all other requirements have been met. In 2006, City residents approved a Local Option Sales Tax referendum. This tax is detailed further in Note I. E. Under state law, the City is required to give the taxpayers a credit on their property tax bill once the referendum is passed. The City recognizes revenue, on both the entity-wide statements and the fund financial statements, in the period in which the credit is given on the property tax bills and for the dollar amount of credit taxpayers are given on their property tax bills. Deferred inflows result when funds are received from the State of South Carolina prior to the time requirements being met, but after all other eligibility requirements are met. The third type is deferred inflows relating to pension obligations and is the net difference between the projected and actual earnings on pension plan investments and is amortized over a closed five-year period, and differences between expected and actual experience, which will be amortized into pension expense over a closed period equal to the average remaining service lives of all participants. The fourth type is deferred inflows relating to other postemployment benefit liability and is the result of assumption changes related to plan benefits and is amortized into other postemployment benefit expense over a closed period of approximately eight years. The fifth type is deferred inflows related to lease revenue. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

E. REVENUES, EXPENDITURES, AND EXPENSES

Property Tax Revenues

Real property and business personal property taxes, excluding automobile property taxes, become enforceable liens as of January 1. Real property taxes are levied in November and are payable immediately, but can be paid without penalty before January 16. Automobile property taxes are levied throughout the year depending on vehicle tag expiration dates. Business personal property taxes are levied in September and are payable by January 15. Property taxes are assessed and collected by Richland and Lexington Counties under a joint billing and collection agreement. The City collects property taxes assessed in Richland and Lexington Counties on property annexed into Columbia. Penalties and charges are assessed if taxes are not paid by the following dates:

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

January 16 through February 1	- 3% penalty for tax due
February 2 through March 16	- 10% penalty for tax due
March 17 through April 30	- 15% penalty for tax due plus costs
May 1 through July 31	- \$30 additional execution cost plus previous penalties and costs
After July 31	- \$50 additional execution cost plus previous penalties and costs
Unpaid taxes after one year	- Property is sold at the annual tax sale in December

The City does not receive any penalty amount or costs on delinquent taxes collected by Richland County. Assessed values are established by the Richland County Tax Assessor, the Lexington County Tax Assessor, and the South Carolina Department of Revenue. The City's operating tax rate is currently 98.1 mills. Amounts received by Richland County and Lexington County, but not remitted to the City at year end, are included in Property Taxes Receivable on the Statement of Net Position and the Balance Sheet.

Property Tax Revenues

That portion, if any, of General Fund property taxes allocated for payment of debt service is transferred to the Debt Service Fund.

Local Option Sales Tax Revenue

The City incorporated a Local Option Sales Tax during the year ended June 30, 2006, of 1% to offset a reduction in property taxes. The tax generated approximately \$25 million during the year ended June 30, 2022. As a result of the City's revenue recognition policy, deferred inflows of resources of approximately \$4,425,000 are reported in the General Fund and Statement of Net Position as of June 30, 2022.

Investment Income

The City has a policy of allocating interest income on pooled cash and investments to appropriate funds on a monthly basis. The allocation is based on a percentage of the fund's month-end balance in pooled cash and investments to the total month-end balance in cash and investments.

Grant Revenue

Revenues from grants are recognized when qualifying expenditures are made and all grant requirements have been met. Cash received by the City prior to the City incurring qualifying expenditures is recorded as a refundable advance on the balance sheet or statement of net position as applicable.

Operating and Nonoperating Revenues and Expenses

Proprietary and internal service funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. The principal operating revenues of the water/sewer facilities fund, the parking facilities fund, the stormwater facilities fund, the hydroelectric facilities fund, the redevelopment programs fund, and the parks and recreation camp funds are charges to customers for sales and services. Operating revenues for internal service funds consist of charges to other funds for the services being provided by the internal service funds and sales to entities external to the City. Operating expenses for business-type funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Characteristic:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Funds – By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Pensions and Other Post Employment Benefits Liability

The net pension liability and related deferred outflows and inflows and expense are measured using information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS). Additions to/deductions from SCRS’s and PORS’s fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. The OPEB liability and related deferred outflows and inflows and expense are actuarially determined for the City’s defined benefit OPEB plan. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental and proprietary funds have been eliminated.

F. NET POSITION

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is classified as net investment in capital assets, restricted, and unrestricted. Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings or other liabilities used for the acquisition, construction, or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. Periodically, the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

G. FUND BALANCE

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the following categories of fund balance are used in the fund level financial statements of the governmental funds:

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Nonspendable fund balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable as well as property acquired for resale.

Restricted fund balance

The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments, or restricted by law through constitutional provisions or enabling legislation.

Committed fund balance

The committed fund balance classification includes amounts that can only be used for specific purposes imposed by ordinance approved by the City Council, the highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City recognizes committed fund balances that have been approved for specific purposes by City Council before the fiscal year end.

Assigned fund balance

The assigned fund balance classification includes amounts that are constrained by the City’s intent to be used for specific purposes, but are not restricted or committed. The authority for making an assignment is not required to be the City’s highest level of decision-making authority, and as such, the nature of the actions necessary to remove or modify an assignment does not require the City’s highest level of authority. However, City Council has not granted the authority to anyone to make assignments of fund balance. Assigned fund balance amounts in the City’s financial statements represent amounts approved by City Council to be transferred and spent after year end and for specific purposes. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

Unassigned fund balance

The unassigned fund balance classification includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned for specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Based on the City’s policies regarding fund balance classifications as noted above, the City considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditure that has been designated by City Council or donors has been made. It is the City’s policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. FUND BALANCE (Continued)

Classification / Fund	Purpose	Amount
Nonspendable		
General Fund	Prepaid charges	\$ 764,861
County Services	Prepaid charges	85,338
Anna Dickson Trust	Nonspendable principal	5,064
Total nonspendable		855,263
Restricted		
General Fund	Capital projects	4,489,935
General Fund	Community development	670,809
Liquor Permit Fee	Tourism	1,851,099
Tourism Development Convention Center	Tourism	2,196,275
Accommodations Tax	Tourism	1,615,444
Hospitality Tax	Tourism	5,593,908
Confiscated Drug Program	Law enforcement	334,145
Federal Grants	Public safety	261,703
Other Programs	Community development	366,836
Debt Service Fund	Debt Service	3,500,709
Congaree Vista District	Construction of parks in the Congaree Vista District	5,529,027
Miscellaneous Projects	General Fund capital projects	23,946,430
Total restricted		50,356,320
Committed		
General Fund	Public safety	4,560,420
Total committed		4,560,420
Assigned		
General Fund	Subsequent year expenditures	3,780,922
General Capital Projects	Capital projects	9,188,111
Streetscaping	Streetscaping capital projects	8,005,575
Total assigned		20,974,608
Unassigned		
General Fund		41,463,199
County Services		(2,620,137)
Other Governmental Funds		(1,257,032)
Total unassigned		37,586,030
Total fund balances		\$ 114,332,641

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. RECENTLY IMPLEMENTED GASB STANDARDS

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City implemented the new guidance with the 2022 financial statements. Implementation of this Statement resulted in recognition of a lease receivable and related deferred inflow and right of use asset and related lease liability in the statement of net position. GASB Statement No. 87 requires retrospective presentation. As the impact of implementation of this Statement would not be significant to net position in prior periods, beginning net position was not restated.

GASB Statement No. 92, *Omnibus 20*. The objective of this Statement is to enhance comparability in accounting and financial reporting and to address practice issues identified during application of specific previous GASB Statements to improve consistency. The City implemented the new guidance with the 2022 financial statements with no significant impact.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the impact of replacing LIBOR with other reference rates on accounting and financial reporting in order to maintain consistency and reliability of this information. The requirements of this Statement are effective for reporting periods ending after December 31, 2021. The City implemented the new guidance with the 2022 financial statements with no significant impact.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to address issues related to fiduciary component units in which a potential component unit does not have a governing board and the primary government performs board duties; mitigate costs associated with the reporting of certain pension plans, other postemployment benefit plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and enhance the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City implemented the new guidance with the 2022 financial statements with no significant impact.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

The general fund budget, the only legally required budget, is adopted on the modified accrual basis of accounting. The budget process begins with the development of the Annual Activity Work Plan by each department and division. These plans are due by the end of November. The City Manager reviews these plans in December and gives departments and divisions input on the City Manager's desired emphasis in the upcoming budget. Budgets are then developed in the departments and divisions and submitted to the City Manager by the beginning of February. The City Manager reviews these budgets in March, and the City Manager's recommended budget is submitted in April to City Council for final approval prior to the beginning of each fiscal year on July 1st. The operating budget includes proposed expenditures and means of financing them.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. BUDGETARY INFORMATION (Continued)

Public meetings are conducted to obtain taxpayer comments. A target date in June is set for legal enactment of the budget through passage of an ordinance. The ordinance sets the limit at the fund level at which expenditures may not exceed appropriations. After two readings of the budget, the City Council legally adopts the budget through the passage of the ordinance. The City Manager is authorized to administer the budget and may authorize the transfer of appropriated funds within and between departments as necessary to achieve the goals of the budget. Such transfers are recorded on the City's records. All unused appropriations lapse at year end. Encumbrances are re-appropriated on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

Budget accountability rests primarily with the operating departments and divisions of the City. In accomplishing the programs and objectives for which the budget was authorized, department and divisions directors are responsible for ensuring that their respective expenditures do not exceed the prescribed funding levels.

B. DEFICIT FUND EQUITY

At June 30, 2022, the County Services Fund had a deficit fund balance of \$2,534,799. The Community Development Fund had a deficit fund balance of \$1,257,032. The Parks and Recreation Camp Fund had a deficit net position of \$1,000,357. The Fleet Management Internal Service Fund had a deficit net position of \$6,658,553. The Support Services Internal Service Fund had a deficit net position of \$838,285. The Risk Management Internal Service Fund had a deficit net position of \$69,088,234. Revenues and transfers from other funds in subsequent years are expected to fund these deficits.

C. RISK MANAGEMENT

Prior to January 1, 2019, the City was self-insured for medical and dental coverage. Effective January 1, 2019, the City became a member of the State of South Carolina State Health Plan administered by PEBA. The impact of this change is that the City went from a claims based system of managing medical and dental costs to a premium based system. The City feels the change will better enable them to manage and budget their medical and dental costs. The City is obligated to remain a member of the State Health Plan for four years. After two years, the City will be subject to a potential increase in premiums due to a risk rating to be performed. Refer to Note III. G for further details.

The City self-insures worker's compensation and general liability programs. The City accounts for the Worker's Compensation program in the Risk Management Fund (an internal service fund) by charging premiums to user departments. The stop-loss provision for Worker's Compensation is \$1,250,000. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are \$300,000 per person and \$600,000 per occurrence.

The Risk Management Fund establishes claim liabilities (health, dental, worker's compensation, and legal) based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved.

Estimated amounts of salvage, subrogation, and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. RISK MANAGEMENT (Continued)

Changes in the aggregate liability for health, dental, worker's compensation, and legal claims were as follows:

Fiscal Year	Beginning Liability	Claims and Changes in Estimates	Claims Payments	Ending Liability
2021	\$15,461,952	\$31,113,083	(\$31,261,196)	\$15,313,839
2022	\$15,313,839	\$29,665,130	(\$27,595,514)	\$17,383,455

This liability is reported in both the Risk Management Fund of the internal services funds (\$17,359,855) and the Water and Sewer Facilities Fund (\$23,600). The liability at June 30, 2022 includes \$7,713,521 for legal claims. See also Note VI. C. Property and Boiler Coverage policies are accounted for in the Risk Management Fund as well as other small insurance policies such as surety bond coverage and miscellaneous floaters. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

As of June 30, 2022, the City, excluding component units, had the following investments:

Investment Type	Investment Maturities (in Years)		
	Fair Value	Less Than 1	Greater Than 1
Money Market	\$ 67,843,000	\$ 67,843,000	\$ -
Treasuries	87,652,824	21,627,399	66,025,425
Agencies	22,262,097	4,063,739	18,198,358
Total	<u>\$ 177,757,921</u>	<u>\$ 93,534,138</u>	<u>\$ 84,223,783</u>

Investments are classified as current or noncurrent on the Statements of Net Position based on the intended use of the investment. Investments purchased with bond proceeds that will be used to purchase capital assets are classified as noncurrent. All other investments are classified as current regardless of the maturity date.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

The City allows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. The City measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value. At June 30, 2022, all investments, including derivatives discussed further in Note V, are reported using the Level 1 fair value hierarchy.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values typically by limiting the maturity of its portfolio to no more than seven years. Investments in securities in agencies related to the U.S. Government earn interest at a stated fixed rate and are normally held to maturity when the full principal and interest amount is paid to the City.

Credit Risk for Investments

The City's investment policy requires that the portfolio consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in the South Carolina Pooled Investment Fund. This fund is unrated. Investments in U.S. Treasuries are considered to have no credit risk. The investments in agencies related to the U. S. Government include the following: (1) Federal Home Loan Mortgage Corp Discount Notes and (2) Federal National Mortgage Association Discount Notes; these securities are rated A-1+ by Standard and Poor's and P-1 by Moody's Investors Service.

State law and the City's investment policy limit investments to the following securities:

- Obligations of the United States and agencies thereof.
- General obligations of the State of South Carolina or any of its political subdivisions.
- Certificates of deposit where the certificates are collaterally insured by securities described above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest.
- Repurchase agreements when collateralized by securities set forth above.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk for Investments (continued)

In addition, South Carolina State statutes authorize the City to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund, created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for liquidity; attention to credit quality, portfolio diversification, and maintenance of a short average maturity of fixed and floating rate investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, investments in the SCLGIP are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments of the SCGLIP is determined on a recurring basis based upon quoted market prices. The total fair value of the SCLGIP is apportioned to the entities with funds invested on an equal basis for each share owned which are acquired at a cost of \$1.00.

Concentration of Credit Risk

The City's investment policy prohibits investing more than 10% of the total portfolio in a single holding or more than 25% in any one issuer except for United States Treasury securities and money market mutual funds.

Custodial Credit Risk - Deposits

The City's cash deposit policy requires that United States Treasury or Agency securities of a fair value equal to the bank deposits be held by a third-party custodian in the City's name. At June 30, 2022, the City, excluding component units, was in full compliance with its collateral policy. At June 30, 2022, approximately \$2,602,000 of the City's deposits uninsured and uncollateralized. This was corrected in August 2022.

At June 30, 2022, CHDC had approximately \$395,000 in deposits that were uninsured and uncollateralized. At June 30, 2022, TNDC had approximately \$373,000 in deposits that were uninsured and uncollateralized. At June 30, 2022, CEZ had approximately \$653,000 in deposits that was uninsured and uncollateralized. The balance of collateralized securities was approximately \$300,489,000 at June 30, 2022.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's investment policy requires that securities be held by a third-party custodian in the name of the City. As of June 30, 2022, none of the City's security investments were exposed to custodial credit risk.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to the Financial Statements

A reconciliation of cash and investments, excluding component units, as shown on the combined balance sheet for all fund types follows:

Description	Amount
Carrying Amount of Deposits	\$ 398,157,226
Fair Value of Investments	177,757,921
Total Deposits and Investments	\$ 575,915,147
 Statement of Net Position	
Cash and Equivalents	\$ 398,048,086
Investments - Current	129,080,276
Investments - Noncurrent	48,677,645
 Statement of Net Position - Fiduciary Funds	
Cash and Equivalents - Trust Funds	5,789
Cash and Equivalents - Custodial Funds	103,351
Total Cash and Investments	\$ 575,915,147

B. RECEIVABLES

Receivables for the primary government as of year-end are shown net of allowances for uncollectible accounts. Management's estimates of uncollectible accounts at June 30, 2022, are as follows:

General Fund	\$ 1,436,649
Water/Sewer Facilities	\$ 17,397,977
Parking Facilities	\$ 4,426,394
Nonmajor Business-type activities	\$ 9,450
Internal Service Funds	\$ 7,172

Receivables for the component units consist of items totaling approximately \$616,000 at June 30, 2022, which are net of allowances for doubtful accounts. As of June 30, 2022, the allowance for doubtful accounts was approximately \$8,200 for the component units. Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS

The various mortgage programs involve the Community Development fund's loan programs and economic development programs which are reported in the nonmajor proprietary funds and certain component units. The various types of loan programs are complex in nature and require specialized accounting methods, including the valuation of notes and mortgages receivable at the lower of cost or market.

Primary government

Mortgage notes receivable and revolving loan pools in the various Community Development revolving loan programs are evaluated annually, and loan loss allowances are applied where appropriate. All mortgages are secured by the property. The net of these receivables totaled approximately \$22,077,000 as of June 30, 2022. An allowance of approximately \$3,693,000 was recorded as of June 30, 2022.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

C. MORTGAGE NOTES RECEIVABLE AND REVOLVING LOAN POOLS (Continued)

Component units

The Columbia Housing Development Corporation (CHDC) has mortgage notes receivable consisting of \$416,530 as of June 30, 2022, which is net of an allowance for uncollectible loans of \$62,828. Mortgage notes receivable consist of loans to individuals under various federal housing lending programs and have various interest rates and maturity dates. The CHDC is considered a real estate development corporation, and revenue recognition is applied under the cost recovery method.

CEZ, Inc. has loans receivable amounting to \$1,445,519 as of June 30, 2022, which is the net of allowance for uncollectible loans of \$10,479. Mortgage notes receivable consist of loans to businesses within the Columbia Empowerment Zone and have various interest rates and maturity dates. CEZ, Inc. is a non-profit corporation, and revenue recognition is applied under the accrual method.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivables and payables (including advances) at June 30, 2022, are as follows:

	Interfund Receivables	Interfund Payables
Funds:		
General	\$ -	\$ 3,018,158
County services	-	1,965,250
Water/Sewer	29,791,405	-
Parking	-	15,993,403
Nonmajor governmental	-	12,273,533
Nonmajor proprietary	-	9,284,283
Internal service funds	15,993,403	3,250,181
Total	\$ 45,784,808	\$ 45,784,808

The outstanding balance between funds results primarily from one of the following time lags: (1) the dates that interfund goods and services are provided or reimbursable expenditures or repayments occur; (2) transactions are recorded in the accounting system; and (3) payments between funds are made. These amounts also include a \$1,150,042 working capital loan made to the general fund which the water and sewer fund expects to collect in subsequent years.

The interfund transfers for the year ended June 30, 2022, are as follows:

	Transfers In	Transfers Out
General	\$ 9,471,275	\$ 9,375,003
County services	-	314,631
Nonmajor governmental	23,717,668	23,030,358
Water/Sewer	-	8,743,771
Parking	-	938,159
Nonmajor proprietary	972,657	1,315,056
Internal service	12,971,275	3,415,897
	\$ 47,132,875	\$ 47,132,875

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowing to the Debt Service Fund to establish mandatory reserve accounts, and (3) move unrestricted fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grants programs.

E. LEASE RECEIVABLE

In accordance with GASB No. 87 at June 30, 2022, the City recognized a lease receivable and deferred inflows of resources for the leases described below. The City reported a lease receivable of \$12,762,072 and deferred inflows of resources of \$12,658,705.

The GASB No. 87 lessor leases are summarized as follows:

General Fund Leases

The City leases various buildings, office space, parking garages, and a generator which are owned by the City and are recorded in the General Fund. The City's General Fund has 11 lease agreements, the majority of which have terms ranging from 1 to 10 years with payments made monthly. The City recognized lease revenue of \$2,808,783 and interest revenue of \$71,588 during fiscal year 2022. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate ranging from 0.20% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable revenue component.

Water and Sewer Fund Leases

The City leases various water towers and a water plant which are owned by the City and are recorded in the Water and Sewer Fund. The City's Water and Sewer Fund has 6 lease agreements, the majority of which have terms ranging from 5 to 25 years with payments made monthly. The City recognized lease revenue of \$216,747 and interest revenue of \$66,211 during fiscal year 2022. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate ranging from 0.20% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable revenue component.

Future minimum financed payments to be received at June 30, 2022 for the City are summarized as follows:

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,251,027	\$ 73,260	\$ 1,324,287
2024	1,270,660	64,488	1,335,148
2025	1,278,021	55,480	1,333,501
2026	814,645	47,128	861,773
2027	567,282	40,388	607,670
2028 - 2032	2,148,827	127,199	2,276,026
2033 - 2037	994,703	19,489	1,014,192
2038 - 2042	2,997	1,683	4,680
Thereafter	19,905	4,431	24,336
Total	\$ 8,348,067	\$ 433,546	\$ 8,781,613

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

E. LEASE RECEIVABLE (Continued)

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 136,948	\$ 63,156	\$ 200,104
2024	138,815	62,381	201,196
2025	140,738	61,583	202,321
2026	69,355	60,760	130,115
2027	35,811	60,077	95,888
2028 - 2032	223,939	291,863	515,802
2033 - 2037	324,562	272,518	597,080
2038 - 2042	395,161	245,356	640,517
Thereafter	2,948,676	915,840	3,864,516
Total	<u>\$ 4,414,005</u>	<u>\$ 2,033,534</u>	<u>\$6,447,539</u>

F. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Transfers	Decreases	Balance June 30, 2022
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 39,537,608	\$ 1,712,882	\$ -	\$ -	\$ 41,250,490
Construction in progress	32,365,697	7,250,827	(2,587,036)	-	37,029,488
Total capital assets not being depreciated	71,903,305	8,963,709	(2,587,036)	-	78,279,978
Capital assets, being depreciated:					
Buildings and improvements	273,293,083	2,240,583	2,587,036	(14,666)	278,106,036
Machinery and equipment	80,692,562	6,609,172	-	(2,433,377)	84,868,357
Infrastructure	40,455,583	3,376,345	-	-	43,831,928
Total capital assets, being depreciated	394,441,228	12,226,100	2,587,036	(2,448,043)	406,806,321
Less accumulated depreciation:					
Buildings and improvements	(113,654,163)	(8,794,263)	-	14,666	(122,433,760)
Machinery and equipment	(62,602,480)	(6,194,675)	-	2,384,631	(66,412,524)
Infrastructure	(22,429,935)	(1,710,741)	-	-	(24,140,676)
Total accumulated depreciation	(198,686,578)	(16,699,679)	-	2,399,297	(212,986,960)
Total capital assets, being depreciated, net	195,754,650	(4,473,579)	2,587,036	(48,746)	193,819,361
Governmental activities capital assets, net	<u>\$ 267,657,955</u>	<u>\$ 4,490,130</u>	<u>\$ -</u>	<u>\$ (48,746)</u>	<u>\$ 272,099,339</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

F. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS (Continued)

	Balance June 30, 2021	Increases	Transfers	Decreases	Balance June 30, 2022
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 32,279,773	\$ 834,095	\$ -	\$ (52,597)	\$ 33,061,271
Construction in progress	266,236,687	90,825,087	(83,005,246)	-	274,056,528
Total capital assets not being depreciated	298,516,460	91,659,182	(83,005,246)	(52,597)	307,117,799
Capital assets, being depreciated:					
Buildings and improvements	1,357,471,540	-	83,005,246	-	1,440,476,786
Machinery and equipment	89,282,462	4,289,192	-	(1,429,690)	92,141,964
Total capital assets, being depreciated	1,446,754,002	4,289,192	83,005,246	(1,429,690)	1,532,618,750
Less accumulated depreciation:					
Buildings and improvements	(573,766,631)	(41,095,738)	-	-	(614,862,369)
Machinery and equipment	(74,368,917)	(3,964,713)	-	1,405,138	(76,928,492)
Total accumulated depreciation	(648,135,548)	(45,060,451)	-	1,405,138	(691,790,861)
Total capital assets, being depreciated, net	798,618,454	(40,771,259)	83,005,246	(24,552)	840,827,889
Business-type activities capital assets, net	\$ 1,097,134,914	\$ 50,887,923	\$ -	\$ (77,149)	\$ 1,147,945,688

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 9,437,032
Public safety	3,484,176
Parks and recreation	1,973,430
Public services	161,341
Judicial	63,346
General services	29,285
Nondepartmental	1,531,898
Internal service funds	19,171
Total depreciation expense - governmental activities	<u>\$ 16,699,679</u>
Business-type Activities:	
Water/Sewer facilities	\$ 41,283,322
Stormwater facilities	1,841,776
Parking facilities	1,542,062
Hydro-electric plant	393,291
Total depreciation expense - business-type activities	<u>\$ 45,060,451</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

F. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS (Continued)

The City is committed under various lease agreements for real estate, office, and copier equipment. The City has 8 lease agreements, the majority of which have terms ranging from 5 to 15 years with payments made monthly. Lease expenditures for the year ended June 30, 2022 were approximately \$330,000. In accordance with implementation of GASB 87, a right to use leased assets was recorded, which had a balance of \$275,835 and \$5,296,945 at June 30, 2022 for governmental activities and business type activities, respectively, net of accumulated amortization. These assets are initially measured by the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and ancillary charges necessary to place the lease into service. These right to use assets are amortized on a straight line basis over the life of the lease.

Right to use leased asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Transfers	Decreases	Balance June 30, 2022
Governmental Activities					
Right to use leased assets, being amortized	\$ -	\$ 362,686	\$ -	\$ -	\$ 362,686
Less accumulated amortization	-	(86,851)	-	-	(86,851)
Governmental activities right to use leased assets, net	\$ -	\$ 275,835	\$ -	\$ -	\$ 275,835
Business-Type Activities					
Right to use leased assets, being amortized	\$ -	\$ 5,531,721	\$ -	\$ -	\$ 5,531,721
Less accumulated amortization	-	(234,776)	-	-	(234,776)
Business-type activities right to use leased assets, net	\$ -	\$ 5,296,945	\$ -	\$ -	\$ 5,296,945

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

Plan description - The City's defined benefit OPEB plan, The City of Columbia Postretirement Healthcare Benefit Program (the Plan), provides OPEB for all active employees who work at least 30 hours per week, qualify for a City of Columbia Retirement Program or a Police and Firefighters Retirement Program benefit, and who retire with 20 or more years of service (15 years of service prior to July 1, 1992). Police and firefighters hired on or after July 1, 2009, are required to have 25 years of service. Other employees hired on or after July 1, 2009, are required to have 28 years of service. The Plan is a single-employer defined dollar benefit OPEB plan administered by the City. City ordinance grants the authority to establish and amend benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events well into the future, thus reflecting a long-term perspective. Examples would include assumptions about future employment, rates of retirement, mortality, and health care cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ACTIVITIES AND FUNDS (Continued)

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Benefits provided – The Plan provides healthcare benefits for retirees and their spouses. The benefit terms provide for annual payments of up to \$13,560 in eligible health care costs for non-Medicare-eligible retirees and annual payments of up to \$10,080 for their spouses. For Medicare-eligible retirees the benefit terms provide for annual payments of up to \$3,600 and \$2,700 for their spouses.

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the benefit terms:

Active plan members	1,994
Inactive participants currently receiving benefit payments	629
Covered spouses currently receiving benefits	<u>191</u>
	<u>2,814</u>

Total OPEB Liability

The City's total OPEB liability of \$209,924,743 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial assumptions and other inputs – The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Retirees' share of benefit-related costs	None
Actuarial Cost Method	Entry Age Normal cost method

The discount rate used was 3.54% and was based on the 20 Year Municipal Bond Rate, using the basis of the Bond Buyer GO 20-Bond Municipal Bond Index. Mortality rates were based PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2021 .

The actuarial assumptions used in the July 1, 2021 valuation were based on personnel, plan design, health care claim cost, and other information.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	<u>\$ 241,188,313</u>
Changes for the year:	
Service cost	12,069,559
Interest cost	5,427,292
Differences between expected and actual experience	(84,104,059)
Changes in assumptions	39,353,807
Benefit payments	<u>(4,010,169)</u>
Net change in total OPEB liability	<u>(31,263,570)</u>
Balance at June 30, 2022	<u>\$ 209,924,743</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in assumptions include:

- The discount rate increased from 2.16% to 3.54%.
- The mortality assumption was updated to PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant Mortality Table with Generational Improvements by Scale MP2021.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 256,508,385	\$ 209,924,743	\$ 173,672,609

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$ 169,238,820	\$ 209,924,743	\$ 264,119,950

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$15,332,213. At June 30, 2022, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in actual and expected experience	\$ 3,754,577	\$ (74,369,792)
Change in assumptions	71,504,468	(3,496,135)
	\$ 75,259,045	\$ (77,865,927)

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2023	\$ 1,845,531
2024	1,845,531
2025	2,038,052
2026	2,368,060
2027	1,159,325
Total thereafter	(11,863,381)
Total	\$(2,606,882)

As of June 30, 2022, there were no payables due to the OPEB Plan.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS

Activity related to long-term obligations during 2022 was as follows:

	Balance 6/30/2021	Additions	Reductions	Balance 6/30/2022	Amount Due in 2023
Governmental Activities					
Note payable	\$ 375,000	\$ -	\$ (75,000)	\$ 300,000	\$ 75,000
GO bonds	15,760,000	-	(2,425,000)	13,335,000	1,095,000
Revenue bonds	99,605,000	29,900,000	(30,355,000)	99,150,000	1,935,000
Unamortized bond premiums	4,264,632	-	(3,112,086)	1,152,546	-
Unamortized bond discounts	(200,000)	-	20,000	(180,000)	-
Finance leases payable	18,029,685	9,000,000	(5,366,059)	21,663,626	5,363,102
Compensated absences	9,343,925	8,916,498	(9,343,925)	8,916,498	1,783,299
Net pension liability	184,630,087	-	(33,359,705)	151,270,382	-
Total OPEB liability	180,408,858	-	(23,038,220)	157,370,638	-
Lease liability	-	310,384	-	310,384	105,466
Total governmental activities	512,217,187	48,126,882	(107,054,995)	453,289,074	10,356,867
Business-Type Activities					
Revenue bonds	766,165,000	-	(20,565,000)	745,600,000	23,050,000
Unamortized bond premiums	52,403,076	-	(2,621,830)	49,781,246	-
Compensated absences	2,292,835	2,050,898	(2,292,835)	2,050,898	407,358
Net pension liability	62,604,382	-	(11,910,437)	50,693,945	-
Total OPEB liability	60,779,455	-	(8,225,350)	52,554,105	-
Lease liability	-	5,361,896	-	5,361,896	163,647
Derivative instrument liability	31,778,139	-	(16,612,167)	15,165,972	-
Total business-type activities	976,022,887	7,412,794	(62,227,619)	921,208,062	23,621,005
Total all long-term obligations	\$ 1,488,240,074	\$ 55,539,676	\$ (169,282,614)	\$ 1,374,497,136	\$ 33,977,872

Debt Service

Long-term liabilities for the internal service funds are allocated between government and business-type activities. At the year ended June 30, 2022, \$358,272 of Internal Service Funds compensated absences is included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund. The Series 2012 Certificates of Participation are liquidated by the Tourism Development Convention Center Fund. The governmental debt secured by hospitality revenues are liquidated by the Debt Service Fund. Notes payable are liquidated by the General Fund. The remaining governmental debt is liquidated by the Debt Service Fund. The pension and other post-employment benefit liabilities are liquidated by the General Fund, Water and Sewer Fund, Parking Fund, Nonmajor Enterprise Funds, and Internal Service Funds.

Terms of Default

For the majority of the general obligation bonds and revenue bonds, in the event of default, no judgment for any deficiency upon the indebtedness will be sought or obtained by the bank. For the Water and Sewer Fund Revenue Bonds Series 2012, and 2018, in the event of default, the unpaid principal and interest becomes due in full. In addition, for the Water and Sewer Fund Revenue Bond Series 2009, in the event of default, the credit provider may terminate the initial credit facility, declare all amounts due in full, exercise a lien or right of attachment, assess interest on amounts due and payable, and exercise any other rights per the financing documents.

**CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize all outstanding debt of the City as of June 30, 2022, including interest payments, but excluding accrued compensated absences payable, pension and OPEB liabilities, amortization of bond premiums and discounts, and lease liability, are as follows:

Governmental Activities:

Year Ending June 30,	General Obligation Bonds	Interest	Revenue Bonds	Interest	Note Payable	Interest	Finance Lease Payable	Interest	Total Principal	Total Interest
2023	\$ 1,095,000	\$ 462,650	\$ 1,935,000	\$ 3,062,952	\$ 75,000	\$ -	\$ 5,363,102	\$ 334,650	\$ 8,468,102	\$ 3,860,252
2024	910,000	424,700	2,255,000	2,963,818	75,000	-	4,697,374	238,808	7,937,374	3,627,326
2025	955,000	392,100	2,470,000	2,738,912	75,000	-	4,154,501	154,334	7,654,501	3,285,346
2026	990,000	357,850	2,070,000	2,685,468	75,000	-	3,372,281	81,076	6,507,281	3,124,394
2027	1,035,000	318,250	3,935,000	2,598,383	-	-	2,108,798	36,132	7,078,798	2,952,765
2028-2032	1,695,000	1,273,250	22,945,000	10,743,852	-	-	1,967,570	18,275	26,607,570	12,035,377
2033-2037	2,040,000	921,650	16,215,000	8,164,002	-	-	-	-	18,255,000	9,085,652
2038-2042	2,410,000	551,700	18,435,000	5,933,679	-	-	-	-	20,845,000	6,485,379
2043-2047	2,205,000	167,850	15,785,000	3,388,155	-	-	-	-	17,990,000	3,556,005
2048-2052	-	-	13,105,000	1,045,011	-	-	-	-	13,105,000	1,045,011
	<u>\$ 13,335,000</u>	<u>\$ 4,870,000</u>	<u>\$ 99,150,000</u>	<u>\$ 43,324,232</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 21,663,626</u>	<u>\$ 863,275</u>	<u>\$ 134,448,626</u>	<u>\$ 49,057,507</u>

Business-Type Activities:

Year Ending June 30,	Revenue Bonds	Interest
2023	\$ 23,050,000	\$ 27,860,727
2024	23,830,000	27,087,468
2025	24,600,000	26,310,584
2026	25,460,000	25,456,693
2027	26,385,000	24,523,623
2028-2032	148,250,000	106,314,594
2033-2037	179,935,000	74,635,673
2038-2042	177,595,000	38,529,080
2043-2047	90,065,000	13,058,911
2048-2052	26,430,000	1,183,240
	<u>\$ 745,600,000</u>	<u>\$ 364,960,593</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds

The City has issued General Obligation Bonds to fund building programs of the City, acquire capital assets, and also to refinance debt issued to fund infrastructure improvements and acquire land. The City has complete liability for the retirement of these obligations. Principal payments on all bonds are due annually and interest is due semi-annually.

The South Carolina Constitution limits local unit borrowing power to 8% of its assessed property value. The limitation excludes bonded indebtedness existing prior to December 1, 1977, (date of the Constitutional Amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters.

General Obligation Bonds outstanding as of June 30, 2022, are as follows:

Governmental Activities:

\$7,315,000	City of Columbia General Obligation Bonds, Series 2013	
	Proceeds for: Acquisition of capital assets	
	Annual principal installments of \$215,000 to \$1,945,000 through June 1, 2023	
	Interest rate: 2.0 to 3.5%	\$ 215,000
\$6,260,000	City of Columbia General Obligation Bonds, Series 2015	
	Proceeds for: Refund Series 2007A General Obligation Bonds	
	Annual principal installments of \$15,000 to \$730,000 through June 1, 2027	
	Interest rate: 2.0 to 4.0%	3,375,000
\$10,645,000	City of Columbia General Obligation Bonds, Series 2016	
	Proceeds for: Acquisition of capital assets	
	Annual principal installments of \$210,000 to \$575,000 through June 1, 2046	
	Interest rate: 3.0 to 5.0%	9,745,000
	<i>Total Governmental Activities General Obligation Bonds</i>	\$ 13,335,000

Revenue Bonds and Note Payable

Revenue bonds and notes payable are special obligations of the City payable from revenues derived from certain operations. The City's revenue bond ordinances stipulate that the City maintain certain debt service, operations, and renewal and replacement funds.

Governmental Activities:

\$1,500,000	Note issued 2006 secured for development costs for Drew Wellness Center.	
	Annual principal installments of \$75,000 through December 31, 2025.	
	Interest rate 0.0%.	\$ 300,000
	<i>Total Governmental Activities Note Payable</i>	\$ 300,000

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds and Note Payable (Continued)

Revenue Bonds

The governmental activities hospitality tax revenue bonds are backed by hospitality tax revenue. The RecoverSC and IPRB bonds may be paid from any City revenue. They are currently budgeted and paid by the General Fund. The Water and Sewer Fund revenue bonds are backed by the Water and Sewer System. Revenue bonds outstanding as of June 30, 2022, are as follows:

Governmental Activities:

<p>\$14,825,000 Revenue Bond - Hospitality Fee Pledge, Series 2012 Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$1,085,000 to \$1,315,000 through Feb. 1, 2025 Interest rate: 2.5%</p>	<p>\$ 3,845,000</p>
<p>\$1,460,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2017 Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$50,000 to \$155,000 through Feb. 1, 2029 Interest rate: 4.29%</p>	<p>960,000</p>
<p>\$10,000,000 2020A Economic development Revenue Bonds (Recover SC Program) Payable from any revenues derived by the City. Annual principal installments of \$1,820,000 to \$2,190,000 through Oct. 1, 2030 Interest rate: 4.75%</p>	<p>10,000,000</p>
<p>\$54,625,000 IPRB, Series 2021 (Taxable) Payable from any revenues derived by the City. Annual principal installments of \$485,000 to \$3,430,000 through Jun. 1, 2051 Interest rate: 0.455 to 3.141%</p>	<p>54,625,000</p>
<p>\$29,900,000 Special Obligation Revenue Bond - Hospitality Fee Pledge, Series 2021 Payable from revenues derived by the City from hospitality taxes. Annual principal installments of \$80,000 to \$1,885,000 through Aug. 1, 2044 Interest rate: 2.487%</p>	<p>29,720,000</p>
<p><i>Total Governmental Activities Revenue Bonds</i></p>	<p><u>\$ 99,150,000</u></p>

Business-Type Activities:

Parking Facilities Fund:

<p>\$39,255,000 Parking Facilities Refunding Revenue Bonds, Series 2018 Payable from revenues derived by the City from operation of off-street and on-street parking facilities. Proceeds for: Refunding the Series 2005A and 2014 bonds Annual principal installments of \$1,185,000 to \$2,935,000 through Feb. 1, 2037 Interest rate: 2.96 to 4.34%</p>	<p>\$ 33,500,000</p>
<p><i>Total Parking Facilities Revenue Bonds</i></p>	<p><u>\$ 33,500,000</u></p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds and Note Payable (Continued)

Business-Type Activities (Continued):

Water and Sewer Fund:

<p>\$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 Payable from revenues derived from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$525,000 to \$10,840,000 through Feb. 1, 2038 Interest rate: 3.6 to 5.0% See Note V for details regarding the interest rate swap related to this bond issue</p>	<p>\$ 81,335,000</p>
<p>\$75,305,000 Waterworks and Sewer System Revenue Bonds, Series 2013 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,205,000 to \$4,600,000 through Feb. 1, 2043 Interest rate: 1.0 to 5.0%</p>	<p>1,735,000</p>
<p>\$63,325,000 Waterworks and Sewer System Revenue Bonds, Series 2016A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$1,000,000 to \$3,640,000 through Feb. 1, 2046 Interest rate: 2.0 to 5.0%</p>	<p>30,350,000</p>
<p>\$146,710,000 Waterworks and Sewer System Revenue Bonds, Series 2016B Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2011A and Series 2010 Bonds Annual principal installments of \$135,000 to \$23,620,000 through Feb. 1, 2041 Interest rate: 2.0 to 5.0%</p>	<p>142,100,000</p>
<p>\$87,340,000 Waterworks and Sewer System Revenue Bonds, Series 2018 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$915,000 to \$5,180,000 through Feb. 1, 2048 Interest rate: 2.5 to 5.0%</p>	<p>50,510,000</p>
<p>\$131,085,000 Waterworks and Sewer System Revenue Bonds, Series 2019A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$2,770,000 to \$7,745,000 through Feb. 1, 2049 Interest rate: 3.0 to 5.0%</p>	<p>93,110,000</p>
<p>\$143,855,000 Waterworks and Sewer System Revenue Bonds, Series 2019B Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2011A, 2012, 2013 Revenue Bonds Annual principal installments of \$1,560,000 to \$10,350,000 through Feb. 1, 2043 Interest rate: 1.76% to 3.26%</p>	<p>136,320,000</p>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds and Note Payable (Continued)

Business-Type Activities (Continued):

Water and Sewer Fund (Continued):

\$6,875,000 Waterworks and Sewer System Revenue Bonds, Series 2019C Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2010 Bonds Annual principal installments of \$940,000 to \$4,040,000 through Feb. 1, 2034 Interest rate: 4.0% to 5.0%	\$ 4,980,000
\$18,935,000 Waterworks and Sewer System Revenue Bonds, Series 2021A Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$370,000 to \$930,000 through Feb. 1, 2051 Interest rate: 2.38% to 5.0%	18,935,000
\$116,600,000 Waterworks and Sewer System Revenue Bonds, Series 2021B Payable from revenues from the City's water and sewer system Proceeds for: Partial refunding of Series 2016A, 2018, 2019A Revenue Bonds Annual principal installments of \$810,000 to \$12,705,000 through Feb. 1, 2049 Interest rate: .29% to 3.01%	116,600,000
<i>Total Water and Sewer Revenue Bonds</i>	\$ 675,975,000
Stormwater Facilities Fund \$37,900,000 Stormwater System Bond, Series 2018 Payable from revenues from the City's water and sewer system Proceeds for: Cost of improvements to the System Annual principal installments of \$430,000 to \$2,370,000 through Feb. 1, 2048 Interest rate: 4.0 to 5.0%	\$ 36,125,000
<i>Total Stormwater Revenue Bonds</i>	36,125,000
<i>Total Business-Type Activities Revenue Bonds</i>	\$ 745,600,000

Obligations Under Finance Leases

The City has entered into various lease agreements as a lessee for financing the acquisition of certain capital assets. The estimated useful lives of the assets acquired range from five to 12 years. During the current year, approximately \$5,601,000 was included in depreciation expense on assets acquired with finance lease proceeds. These assets had a balance of approximately \$15,453,000 net of accumulated depreciation at June 30, 2022. The City had approximately \$4,490,000 in unspent lease funds at June 30, 2022. The lease agreements qualify as finance leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

\$8,100,000 Finance Lease Payable to Bank of America issued September 2016 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$95,246 through October 1, 2023 Interest rate: 1.47%	\$ 1,508,234
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CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Obligations Under Finance Leases (Continued)

\$4,000,000 Finance Lease Payable to Regions Bank issued December 2017 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$49,244 through January 1, 2025 Interest rate: 2.17%	1,468,835
\$8,000,000 Finance Lease Payable to Regions Bank issued December 2018 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$103,570 through January 1, 2026 Interest rate: 2.78%	4,216,600
\$9,250,000 Finance Lease Payable to Bank of America issued December 2019 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$117,291 through January 1, 2027 Interest rate: 1.8%	6,187,594
\$9,000,000 Finance Lease Payable to Bank of America issued November 2021 Proceeds for: Acquisition of capital assets Monthly principal and interest installments of \$110,325 through December 1, 2028 Interest rate: 1.17%	8,282,363
<i>Total Governmental Activities Finance Leases Payable</i>	<u>\$ 21,663,626</u>

Lease Liability

The City is committed under various lease agreements for real estate, office, and copier equipment. The City has 8 lease agreements, the majority of which have terms ranging from 5 to 15 years with payments made monthly. In accordance with implementation of GASB 87, a lease liability was recorded, which had a balance of \$310,384 and \$5,361,896 at June 30, 2022 for governmental activities and business type activities, respectively. The lease liability is initially measured as the present value of the future minimum rent payments expected to be paid during the lease term at a discount rate ranging from 0.29% to 1.55%, which is an estimated incremental borrowing rate. The terms of these lease agreements do not include a variable expense component. Future amortization of the City's lease liability as of June 30, 2022 is as follows:

Governmental Activities:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 105,466	\$ 1,791	\$ 107,257
2024	107,158	1,043	108,201
2025	97,760	291	98,051
Total	\$ 310,384	\$ 3,125	\$ 313,509

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Lease Liability (Continued)

Business-Type Activities:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 163,647	\$ 77,713	\$ 241,360
2024	166,368	76,233	242,601
2025	109,715	74,825	184,540
2026	115,786	73,457	189,243
2027	120,625	71,977	192,602
2028 - 2032	555,611	337,124	892,735
2033 - 2037	353,369	307,360	660,729
2038 - 2042	438,089	276,226	714,315
Thereafter	3,338,686	681,731	4,020,417
Total	\$ 5,361,896	\$ 1,976,646	\$7,338,542

Conduit Debt

Resolution 2006-027, passed June 28, 2006, was issued in support of the issuance of not exceeding \$4,500,000 in revenue bonds by JEDA for the Palmetto Health Foundation Project. While the City is not obligated for the repayment of conduit type debt, disclosure is required in the notes to the financial statements. As of June 30, 2022, the balance of this conduit debt was approximately \$1,287,000.

Defeasance Debt

During the year ended June 30, 2017, the City defeased a portion of its Series 2010 and Series 2011A Water and Sewer Revenue Bonds. On June 30, 2022, the amount considered defeased related to these bonds is approximately \$143,160,000. During the year ended June 30, 2019, the City defeased its Series 2005A and Series 2014 Parking Facilities Revenue Bonds with proceeds from the new Series 2018 Revenue Bonds totaling \$39,255,000. On June 30, 2022, the amount considered defeased related to these bonds is approximately \$38,340,000. During the year ended June 30, 2020, the City defeased its Water and Sewer Fund series 2010, 2011A, 2012, and 2013 bonds in the amounts of \$8,770,000, \$26,130,000, \$43,560,000, and \$60,165,000, respectively. On June 30, 2022, the amount considered defeased related to these bonds is approximately \$138,625,000. During the year ended June 30, 2021, the City partially defeased its Water and Sewer Fund series 2016A, 2018, and 2019A revenue bonds in the amounts of \$25,085,000, 31,155,000, and 35,205,000, respectively. On June 30, 2022, the amount considered defeased related to these bonds is approximately \$91,445,000.

During the year ended June 30, 2022, the City defeased its Special Obligation Bond – Hospitality Fee Pledge, Series 2014 in the amount of \$26,175,000 through issuance of the Special Obligation Bond – Hospitality Fee Pledge, Series 2021. On June 30, 2022, the amount considered defeased related to these bonds is approximately \$26,175,000. Approximately \$869,000 was recorded in expense for bond costs related to the new bond in 2022. Approximately \$19,000 was recognized as an accounting gain in 2022 related to the refunding. The aggregate difference in debt service between the refunding debt and the refunded debt was an economic gain of approximately \$2,955,000.

Proceeds from the Series 2019B and 2019C Revenue Bonds were placed in an irrevocable trust to provide for future debt service payments of the old bonds. The trust account assets and the liability of the defeased bonds are not included in the City's financial statements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

H. LONG-TERM OBLIGATIONS (Continued)

Arbitrage

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings, if any. For the year ended June 30, 2022, the City did not have any arbitrage profits due to the federal government.

I. TAX ABATEMENTS

While the City of Columbia does not have any of its own tax abatement agreements as of June 30, 2022, Richland County, South Carolina (“the County”) provides tax abatements under two programs (the Fee-in-Lieu of *Ad Valorem* Property Tax (“FILOT”) program and the Special Source Revenue Credit (“SSRC”) program) that impact the City’s tax revenues. Additionally, the County uses multicounty industrial or business parks (“MCIP”) in connection with the FILOT and SSRC programs which further abate the City’s property tax revenues from certain taxpayers. These two programs and their impact on the City are described below.

Fee-in Lieu of *Ad Valorem* Property Tax Program

South Carolina state law authorizes three forms of the FILOT program:

- a “Little Fee” as authorized by Chapter 4, Title 12 of the Code of Laws of South Carolina, 1976, as amended;
- a “Simplified Fee” as authorized by Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended;
- a “Big Fee” as authorized by Section 4-29-67 of the Code of Laws of South Carolina, 1976, as amended.

The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina.

Under South Carolina law, a taxpayer is eligible to receive a property tax reduction under the FILOT program if the taxpayer agrees to make a minimum investment in a project located in the County within a five year period. The minimum investment a taxpayer must make to be eligible for the FILOT program is based on the form of FILOT program chosen by the County and the taxpayer. Under the Little Fee and the Simplified Fee forms of the FILOT program, taxpayers must make a minimum investment of \$2,500,000. Under the Big Fee form of the FILOT program, taxpayers must make a minimum investment of \$45,000,000. Additionally, the County Council, the governing body of the County, must find that (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than its costs.

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of *ad valorem* property tax payment for the economic development property associated with the property is calculated using (1) a reduced assessment ratio, which may be reduced from 10.5% to a floor of 6% (or 4% in the case of certain enhanced investments as defined by state law); and (2) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year), for a term not more than 30 years (or 40 years in the case of certain enhanced investments as defined by state law). The FILOT program also permits certain qualifying taxpayers and the County to negotiate for equalized fee-in-lieu of *ad valorem* property tax payments over the term of the agreement.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. TAX ABATEMENTS (Continued)

Fee-in Lieu of *Ad Valorem* Property Tax Program (Continued)

If the taxpayer does not make the minimum investment in a project within the five year period as described above, then the agreement is automatically terminated. On termination, the taxpayer is obligated to pay the County the difference between (i) the total amount of *ad valorem* property taxes that would have been paid had the economic development property not been subject to the agreement, taking into account exemptions from property taxes that would have been available to the taxpayer; and (ii) the total amount of fee-in-lieu of *ad valorem* property tax payments made by the taxpayer with respect to the economic development property.

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program described above, the taxpayer may also make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than the minimum investment, and (ii) create a certain number of new, full-time jobs at a project. For property tax year 2021, City property taxes abated resulting from the FILOT program totaled approximately \$301,886. The City received approximately \$736,034 in fee-in-lieu of *ad valorem* property tax payments from taxpayers with active agreements under the FILOT program in property tax year 2021.

Special Source Revenue Credit Program

The County also abates property taxes through the Special Source Revenue Credit (“SSRC”) program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County. A taxpayer is eligible to receive a credit under the SSRC program, thereby reducing its property taxes, if (i) the taxpayer’s property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the credit to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Property taxes are abated under the SSRC program through the County providing a credit (in the form of a percentage or fixed dollar amount) against a taxpayer’s property tax liability. Although not required by state law, often the County and the taxpayer enter into an agreement pursuant to which the County agrees to provide a credit against a taxpayer’s property tax liability for a period of years, and the taxpayer commits to (i) invest certain amounts of taxable real and personal property at a project, or (ii) create a certain number of new, full-time jobs at a project. In the instances where the County has entered into an agreement to effect the SSRC program, if the taxpayer does not meet the requirements as set forth in the agreement, the County frequently reserves the right to require the taxpayer to repay the County, either all or some other portion, as determined by formula, of the credit received by the taxpayer under the SSRC program.

The County may also use the SSRC program in connection with the FILOT program. In those instances, following the calculation of a taxpayer’s fee-in-lieu program, the County may also apply a credit pursuant to the SSRC program to further abate the taxpayer’s property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility requirements for both programs. For property tax year 2021, City property taxes abated resulting from the SSRC program totaled approximately \$554,501 – which included property taxes abated solely under the SSRC program and property taxes abated under the SSRC program in connection with the FILOT program. The City received approximately \$623,977 in fees-in-lieu of standard *ad valorem* taxes from taxpayers solely receiving property tax abatements under the SSRC program. Fees-in-lieu of standard *ad valorem* taxes received by the City from taxpayers receiving property tax abatements under both the SSRC program and the FILOT program are reflected in the fees-in-lieu of *ad valorem* tax payments collected from taxpayers with active agreements under the FILOT program described above.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. TAX ABATEMENTS (Continued)

Multicounty Industrial or Business Park

The County uses multicounty industrial or business parks in connection with the SSRC program and FILOT program. Specifically, as noted above, to receive a property tax abatement under the SSRC program, a taxpayer's property must be located in a multicounty industrial or business park. Additionally, the County may locate a taxpayer's property in a multicounty industrial or business park at the request of the taxpayer so that the taxpayer may secure enhanced credits from certain state taxes. To locate a taxpayer's property in a multicounty industrial or business park, the County must develop, with one or more contiguous counties, a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the revenues and expenses from the multicounty industrial or business park. The agreement must further specify how the revenues from the multicounty industrial or business parks will be distributed to each taxing entity in the participating counties.

For the property tax year 2021, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$123,159 would have been received by the City but for the taxpayers' location within its multicounty industrial park. For the property tax year 2021, fee-in-lieu of standard *ad valorem* tax payments from taxpayers within the multicounty industrial park totaled \$359,307.

IV. PENSION PLANS

The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles ("GAAP"). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Plan description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions.

The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

• PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Required <u>employee</u> contribution rates are as follows:		
SCRS	Fiscal Year 2022	Fiscal Year 2021
Employee Class Two	9.00% of earnable compensation	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation	9.00% of earnable compensation
PORS		
Employee Class Two	9.75% of earnable compensation	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation	9.75% of earnable compensation
Required <u>employer</u> contribution rates are as follows:		
SCRS		
Employer Class Two	16.41% of earnable compensation	15.41% of earnable compensation
Employer Class Three	16.41% of earnable compensation	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
PORS		
Employer Class Two	18.84% of earnable compensation	17.84% of earnable compensation
Employer Class Three	18.84% of earnable compensation	17.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation	0.20% of earnable compensation

The City's required and actual employer contributions are as follows:

Year Ended June 30, 2022	SCRS	PORS
Required contributions	\$ 10,233,137	\$ 8,909,360
Actual contributions	\$ 10,233,137	\$ 8,909,360

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2021, total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Actuarial Assumptions and Methods (Continued)

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2021, TPL are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2021, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%
PORS	8,684,586,488	6,111,672,064	2,572,914,424	70.4%
Total	\$ 63,816,165,851	\$ 39,601,978,034	\$ 24,214,187,817	

The City's proportional share of the NPL amounts for SCRS and PORS are presented below:

Measurement Period Ended June 30,	Fiscal Year Ended June 30,	SCRS	PORS
2020	2021	\$148,118,430	\$99,116,039
2021	2022	\$121,893,562	\$80,070,765

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

The net pension liabilities were measured as of June 30, 2021, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2020, that was projected forward to the measurement date. The City's proportion of the net pension liabilities was based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the City's percentage of the SCRS and PORS net pension liability was 0.563246% and 3.112065%, respectively. This is a decrease of 0.016434% for SCRS and an increase of 0.123232% for PORS from its proportion measured as of June 30, 2020.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Net Pension Liability (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.88%	0.15%
Total Expected Real Return	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
			<u>7.43%</u>

Sensitivity Analysis

The following table presents the collective net pension liability of the City calculated using the discount rate of 7.0% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.0%) or 1.00% higher (8.0%) than the current rate.

Sensitivity of the City's Proportional Share of Net Pension Liability To Changes in the Discount Rate			
<u>System</u>	<u>1.00% Decrease</u>	<u>Current Discount Rate</u>	<u>1.00% Increase</u>
SCRS	\$ 159,665,449	\$ 121,893,562	\$ 93,137,864
PORS	\$ 116,172,444	\$ 80,070,765	\$ 50,497,972

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2021 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2021.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2022, the City recognized pension expense of \$7,380,043 to SCRS and pension expense of \$8,992,590 to PORS for a total of \$16,372,633 in pension expense.

At June 30, 2022, the City reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>SCRS</u>		
Pension contributions subsequent to the measurement date	\$ 10,233,137	\$ -
Differences in actual and expected experience	2,076,312	164,511
Change in assumptions	6,672,054	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	724,687	4,248,837
Net differences between projected and actual earnings on plan investments	-	17,706,646
	<u>\$ 19,706,190</u>	<u>\$ 22,119,994</u>
<u>PORS</u>		
Pension contributions subsequent to the measurement date	\$ 8,909,360	\$ -
Differences in actual and expected experience	2,723,940	249,369
Change in assumptions	5,711,027	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	2,671,764	369,120
Net differences between projected and actual earnings on plan investments	-	17,951,508
	<u>\$ 20,016,091</u>	<u>\$ 18,569,997</u>
Total all plans	<u>\$ 39,722,281</u>	<u>\$ 40,689,991</u>

The City reported \$19,142,497 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The difference between projected and actual earnings on pension plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The differences between expected and actual experience and the change in proportionate share of contributions are reported as deferred outflows (inflows) of resources and will be amortized over the average remaining service lives of all plan participants. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2021, measurement date was 3.91 years for SCRS and 4.13 years for PORS. The following schedule reflects the amortization of the City's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2022.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

IV. PENSION PLANS (Continued)

Pension Expense and Deferred Outflows (Inflows) of Resources (Continued)

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2021	2022	\$ 1,532,465	\$ 369,029
2022	2023	1,194,254	322,115
2023	2024	2,413,588	997,161
2024	2025	7,506,634	5,774,961
Net Balance of Deferred Outflows/ (Inflows) of Resources		<u>\$ 12,646,941</u>	<u>\$ 7,463,266</u>

Payables to the Pension Plans

As of June 30, 2022, there were no payables due to the pension plans.

Component Units

Significantly all of the personnel of the City's component units, with the exception of Experience Columbia SC, are employed by the City of Columbia. As a result, the City reports the amount of the proportional net pension liability and the related deferred inflows and outflows related to the service of these individuals in its financial statements.

V. INTEREST RATE SWAP AGREEMENTS

Waterworks and Sewer Revenue Bond Series 2009 Swap – The City maintains this variable-to-fixed interest rate swap to hedge exposure to rising interest rates. The City entered into an interest rate swap agreement related to the 2009 Waterworks and Sewer Bonds on September 20, 2009, with an effective date of September 15, 2009. The counterparty is J.P. Morgan Chase. The City agreed to pay a fixed rate to J.P. Morgan Chase and receive a variable rate while paying a variable rate to bond holders. Semi-annually the City pays a fixed rate of 4.354% to J.P. Morgan Chase and monthly receives a variable rate based on the average Securities Industry and Financial Markets Association ("SIFMA") index rate. Interest payments to the bond holders are offset by the amount received by the City from J. P. Morgan Chase under the swap. The purpose of the swap was to effectively change the variable rate bonds to fixed rate bonds. The bonds and related swap agreement mature February 2038. The notional amount of the swap equals the principal amount of the associated bonds and decreases simultaneously with the reduction in the principal amount of the associated bonds. As of June 30, 2022, the notional amount was \$81,335,000.

The obligation of the City to make regularly scheduled payments under the interest rate swap agreement is junior and subordinate to the City's obligation to make debt service payments on its outstanding revenue bonds. The obligation of the City to make any termination payments under the swap is junior and subordinate to the obligation to make debt service payments on bonds. Under the swap agreement, if the City modifies the bond ordinance, the counterparty has certain limited rights to consent to modifications to the swap agreement which would affect the rights of the counterparty. Under the swap, J.P. Morgan Chase does not require collateral to be posted to reduce credit risk exposure.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Waterworks and Sewer Revenue Bond Series 2009 Swap (Continued) – During the year ended June 30, 2022, the City made variable bond interest payments in the amount of \$132,181 and fixed rate payments on the swap in the amount of \$3,564,184. The City also received variable payments on the swap in the amount of \$140,697. The net of variable payments on the bonds and receipts on the swap was \$8,515.

The fair value balances and notional amounts of derivative instrument outstanding at June 30, 2022, classified by type, and the changes in fair value of such derivative for the year then ended is as follows:

	Changes in Fair Value		Fair Value at June 30		Notional
	Classification	Amount	Classification	Amount	
Business-type activity					
Cash flow hedges:					
Pay-fixed interest rate swap	Water and Sewer Revenue Bond Series 2009 Swap	Deferred outflow	Debt	<u>\$15,165,972</u>	\$ 81,335,000
		\$ 16,612,167			

The following table displays the objectives and terms of the City's hedging derivative instrument outstanding at June 30, 2022, along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Pay-fixed interest rate swap	Hedge of changes in cash flows on the Series 2009 Water and Sewer Revenue Bonds	\$ 81,335,000	9/15/2009	2/1/2038	Receive monthly average SIFMA rate and pay fixed rate of 4.354%	A2 / A- / AA
	* Moody's, S&P, and Fitch, senior unsecured respectively.					

Future Debt Service Requirements

The following schedule details the debt service requirements to maturity for the underlying debt instrument related to the interest rate swap. The interest rate in effect at June 30, 2022, has been used for all future periods. These amounts assume the current interest rates on variable-rate bonds will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instrument will vary.

Waterworks and Sewer Bonds
Series 2009

Year Ending June 30,	Variable Rate Bonds		Hedging	Total
	Principal	Interest	Derivatives, Net	
2023	\$ 550,000	\$ -	\$ 2,269,304	\$ 2,819,304
2024	570,000	-	2,254,715	2,824,715
2025	600,000	-	2,237,008	2,837,008
2026	625,000	-	2,221,036	2,846,036
2027	595,000	-	2,203,681	2,798,681
2028-2033	28,615,000	-	11,970,036	40,585,036
2034-2038	49,780,000	-	4,130,690	53,910,690
	<u>\$81,335,000</u>	<u>\$ -</u>	<u>\$ 27,286,470</u>	<u>\$108,621,470</u>

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

V. INTEREST RATE SWAP AGREEMENTS (Continued)

Risks

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2022, the swap was in a liability position; therefore, the City is not exposed to credit risks. However, should interest rates change and the fair market value of the swap becomes an asset position, the City would be exposed to credit risks. The credit rating of the counterparty is summarized in the table above.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the City's financial instruments or its cash flows. The City is exposed to interest rate risk on its pay-fixed, receive-variable interest rate swap. As LIBOR or the SIFMA swap index decreases, the City's liability upon early termination of the swaps increases.

Basis Risk – Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedge item are based on different reference rates. The City is exposed to basis risk on the interest rate swap hedging instrument related to the Waterworks and Sewer bonds because the variable-rate payments received by the City on this hedging derivative instrument are based on a rate or index other than interest rates the City pays on its hedge variable-rate debt. As of June 30, 2022, the interest rate on the City's hedged variable rate debt was 0.16%, while the SIFMA swap index rate was 0.91%.

Termination Risk – Termination risk is the risk that a hedging derivative instrument's unscheduled end will affect the City's asset and liability strategy or will present the City with potentially significant unscheduled termination payments to the counterparty. Termination events exist for the interest rate swaps. Under the City's interest rate swap, a decline in either party's credit rating below BBB or Baa2 in the case of S&P and Moody's, respectively, can trigger termination in addition to events that are customary for these types of transactions.

Rollover Risk – Rollover risk is the risk that a hedging instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. The City is not exposed to rollover risk because the hedging derivative instrument associated with the hedgeable debt item extends to the maturity of the hedgeable debt item.

The City is not required to post collateral under the interest rate swap agreement.

VI. COMMITMENTS AND CONTINGENCIES

A. FEDERAL GRANTS

In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed by City officials to be material.

B. CONSENT DECREE

During the year ended June 30, 2014, the Environmental Protection Agency filed with the federal court system a consent decree against the City. The terms of this Consent Decree require the City to (i) evaluate the Sanitary Sewer System and, based on that evaluation, implement capital improvements to the Sanitary Sewer System's infrastructure; and (ii) implement a \$1,000,000 Supplemental Environmental Project ("SEP") aimed at restoring and reducing flooding along segments of Rocky Branch and Gills Creek. The City anticipates total expenditures of approximately \$750,000,000 will be required over a period of approximately 11 years in order to meet the requirements of the Consent Decree. The City's five-year Capital Improvements Program, which the City believes is presently responsive to a portion of the capital improvements that are or will be required by the Consent Decree, is being further revised to enable the City to meet all of its obligations under the Consent Decree within the prescribed timeframes.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

VI. COMMITMENTS AND CONTINGENCIES (Continued)

B. CONSENT DECREE (Continued)

The City expects to pay for the cost of these improvements through revenues generated by the system and future and current bond proceeds. City management feels the City is meeting the requirements and deadlines imposed by the Consent Decree.

C. LITIGATION

The City is a party to legal proceedings that normally occur in government operations. The City is involved in unresolved legal actions concerning construction contracts and other matters. The City believes its positions are meritorious and is vigorously defending its positions. The City's estimate of ultimate loss has been recorded as a liability in the Risk Management Fund and other funds in the financial statements (Note II. C).

D. DEVELOPMENT AGREEMENT AND CONSTRUCTION

On July 9, 2013, the City executed a development agreement with a private developer to develop approximately 165 acres of land within the City of Columbia. During the year ended June 30, 2017, the original agreement was amended. The amendment required that the City add an additional 16 acres of property to the development site. The City's commitments are to occur in four phases. The first phase occurred during the year ended June 30, 2014. This phase required the City to make \$5,250 in public improvements. Phase two, achieved during the year ended June 30, 2015, required the City to make \$7,965,842 in public improvements. Phase three, achieved during the year ended June 30, 2016, required the City to make \$2,179,342 in public improvements. Phase four is subdivided into four subphases. The first subphase requires the City to make \$5,000,000 in public improvements once the developer makes \$25,000,000 in taxable improvements. This subphase was accomplished during the year ended June 30, 2017. The second subphase, which was achieved during the year ended June 30, 2018, requires the City to make an additional \$5,000,000 in public improvements upon completion of an additional \$25,000,000 in taxable improvements by the developer. The third subphase requires an additional \$5,000,000 in public improvements by the City upon the completion of an additional \$25,000,000 in taxable investments by the developer. The fourth subphase requires the City make \$840,816 in public improvements upon the completion of \$6,250,000 in taxable investments by the developer. If the requirements for all four subphases are met, the City will be required to make \$15,840,816 in public improvements, and \$81,250,000 in taxable investments will have been made by the developer.

Also as part of the fourth phase, the City is required to construct two parking facilities with a combined total of at least 1,600 parking spaces if certain conditions are met by the developer. The garages are expected to cost between \$16,000,00 and \$18,000,000. The City will be required to construct the first parking facility if the developer either constructs 120,000 square feet of office, retail, or 6% assessed space that is subject to property tax or rehabilitates the Babcock Building, a historical structure located within the development area. The second parking facility is required to be constructed upon the developer purchasing or causing to be purchased 90 acres of the development or obtains commitments to construct \$75,000,000 in private investment. The developer has met the requirements to have both parking facilities constructed. However, the developer has requested that the parking facilities not be constructed until such time as the developer requests. This request was granted by the City. The City has begun construction of the two parking garages per the agreement as of June 30, 2022. The two garages opened subsequent to June 30, 2022: the smaller garage opened in September 2022 and the larger garage in December 2022.

As of June 30, 2022, the City had total encumbrances for construction projects in the amounts of approximately \$1,620,000, \$134,520,000, and \$16,116,000 for the Parking Facilities Fund, Water/Sewer Facilities Fund, and Stormwater Facilities Fund, respectively.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

VII. OTHER INFORMATION

A. SUBSEQUENT EVENTS

Management has evaluated subsequent events from June 30, 2022 through January 26, 2023, the date these financial statements were available to be issued. Other than noted below, no events were noted that required adjustment to or disclosure in these financial statements.

The City issued Series 2022 Waterworks and Sewer System revenue bonds in the amount of \$73,815,000 in December 2022. The bonds will have an interest rate ranging from 4.125% - 5.25% and will mature in February 2052.

In December 2022, the City issued a new finance lease in the amount of \$9,000,000. The lease will have an interest rate of 3.34% and will mature in January 2030.

B. RECENT GASB STANDARDS NOT YET IMPLEMENTED

GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to increase the usefulness of financial statements by improving conduit debt obligation reporting. The Statement provides a single method of reporting conduit debt obligations for issuers and improves consistency of commitments extended by issuers, conduit debt arrangements, and related disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City will implement the new guidance with the 2023 financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to provide guidance for issues related to public-private and public-public partnership arrangements ("PPPs") and availability payment arrangements ("APAs") in order to improve financial reporting. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City will implement the new guidance with the 2023 financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to address subscription-based information technology arrangements ("SBITAs") for governments. This Statement provides that a SBITA results in a right-to-use subscription asset and related subscription liability, defines capitalization criteria, and requires additional related disclosures for SBITAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City will implement the new guidance with the 2023 financial statements.

Management has not yet determined the impact implementation of these standards will have on the City's financial statements, if any.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the City's Total OPEB Liability and Related Ratios provides information relating to the City's adoption of GASB Statement No. 75.

Budgetary Comparison Schedule – General Fund provides information regarding the original budget, final budget, and actual results as compared to the final budget for the General Fund. The General Fund is the principal operating fund of the City that accounts for all financial resources not accounted for in other funds.

Notes to Budgetary Comparison Schedule provides information related to the budgetary basis of accounting used by the City as well as budget amendments made to the appropriated budget.

The Schedules of the City's Contributions provide information relating to the City's adoption of GASB Statement No. 68.

The Schedules of the City's Proportionate Share of the Net Pension Liability provide information relating to the City's adoption of GASB Statement No. 68.

CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30
(UNAUDITED)

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 12,069,559	\$ 11,726,172	\$ 4,987,631	\$ 4,303,230	\$ 4,441,132
Interest	5,427,292	5,296,956	6,390,325	6,419,751	6,050,483
Changes of benefit terms	-	-	(10,752,440)	-	-
Differences between expected and actual experience	(84,104,059)	-	5,871,821	-	-
Changes in assumptions or other inputs	39,353,807	(1,814,558)	48,681,157	11,402,855	(5,968,255)
Benefit payments	(4,010,169)	(3,929,263)	(5,676,306)	(6,539,599)	(8,464,680)
Net change in total OPEB liability	(31,263,570)	11,279,307	49,502,188	15,586,237	(3,941,320)
Total OPEB liability - beginning	241,188,313	229,909,006	180,406,818	164,820,581	168,761,901
Total OPEB liability - ending	<u>\$ 209,924,743</u>	<u>\$ 241,188,313</u>	<u>\$ 229,909,006</u>	<u>\$ 180,406,818</u>	<u>\$ 164,820,581</u>
Covered-employee payroll	\$ 109,285,456	\$ 106,804,903	\$ 111,900,512	\$ 104,186,841	\$ 102,133,193
Total OPEB liability as a percentage of covered-employee payroll	192.09%	225.82%	205.46%	173.16%	161.38%

Notes to Schedule:

Changes in assumptions. The valuation reflects the following assumption changes:

- The discount rate increased from 2.16% to 3.54%.
- The mortality assumption was updated to
PUB-2010 Public Plans, Amounts-Weighted, Above-Medium Income, Healthy Annuitant
Mortality Table with Generational Improvements by Scale MP2021.

No assets are being accumulated in a trust to pay related benefits as they become due.

The City implemented GASB 75 during fiscal year 2018; as such only the last four years of data are available. Each year the City will add an additional year of data until a total of ten years is presented.

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (UNAUDITED)
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
General property and local option sales taxes	\$ 59,084,569	\$ 59,084,569	\$ 60,683,733	\$ 1,599,164
Licenses and permits	27,432,937	27,432,937	29,409,618	1,976,681
Franchise fees	11,600,000	11,600,000	11,401,049	(198,951)
Intergovernmental revenue	17,094,457	17,094,457	17,976,788	882,331
Charges for services	15,295,894	15,295,894	16,386,053	1,090,159
Fines and forfeitures	506,500	506,500	265,961	(240,539)
Federal government	-	-	1,591,393	1,591,393
Private grants	-	-	780	780
Rental income	97,000	97,000	2,808,783	2,711,783
Other revenues	125,000	125,000	7,038	(117,962)
Total revenues	131,236,357	131,236,357	140,531,196	9,294,839
EXPENDITURES				
Current				
General government	12,495,889	13,618,558	15,628,428	(2,009,870)
Judicial	2,447,480	2,447,480	3,408,885	(961,405)
Finance department	2,106,956	2,106,956	1,679,880	427,076
Planning and development	3,392,227	3,392,227	3,732,504	(340,277)
Public safety	70,100,036	70,364,030	72,595,125	(2,231,095)
Parks and recreation	13,312,897	13,321,570	12,144,225	1,177,345
Public services	20,303,469	20,071,723	15,749,789	4,321,934
General services	1,686,839	1,686,839	2,704,992	(1,018,153)
Tourism and community development	1,232,273	1,232,273	3,895,275	(2,663,002)
Community promotions	-	-	126,014	(126,014)
Nondepartmental	4,530,817	4,439,144	-	4,439,144
Debt service				
Principal payment on bonds	6,113,935	6,113,935	5,366,060	747,875
Interest on bonds	-	-	384,943	(384,943)
Capital outlay	-	-	-	-
Capital outlay	154,000	5,198,811	6,729,919	(1,531,108)
Total expenditures	137,876,818	143,993,546	144,146,039	(152,493)
(Deficiency) excess of revenues (under) over expenditures	(6,640,461)	(12,757,189)	(3,614,843)	9,142,346
OTHER FINANCING SOURCES (USES)				
Transfers in	23,892,968	24,930,587	9,471,275	(15,459,312)
Transfers (out)	(17,667,671)	(12,711,437)	(9,375,003)	3,336,434
Sale of general capital assets	170,000	170,000	224,559	54,559
Issuance of note payable	-	-	9,000,000	9,000,000
Investment loss	145,164	145,164	(231,367)	(376,531)
Insurance recoveries	100,000	100,000	31,494	(68,506)
Unappropriated surplus	-	122,875	-	(122,875)
Total other financing sources (uses)	6,640,461	12,757,189	9,120,958	(3,636,231)
Net change in fund balance	-	-	5,506,115	5,506,115
Beginning fund balance	50,224,031	50,224,031	50,224,031	-
Ending fund balance	<u>\$ 50,224,031</u>	<u>\$ 50,224,031</u>	<u>\$ 55,730,146</u>	<u>\$ 5,506,115</u>

See accompanying independent auditor's report and notes to budgetary comparison schedule.

CITY OF COLUMBIA, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)
June 30, 2022

Budget and Budgetary Accounting

A legal operating budget is prepared annually for the General Fund on the GAAP basis (modified accrual basis of accounting). Informal budgetary controls are maintained for other fund types, and therefore, budgetary comparisons to actual amounts are not presented.

The approved budget and amendments are legally enacted through passage of an ordinance authorizing the City Manager to administer the budget and to transfer necessary appropriations among funds. Additional budget appropriations must be approved by Council, and at the fund level, expenditures may not legally exceed budgeted appropriations.

All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budget during and after the year. All unused appropriations lapse at year end. Encumbrances are re-appointed on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

The final budget amendments presented are necessary based on the operating activities of the City. The budget was amended to reflect the increase of budgeted amount of unappropriated surplus, decreases in the amount of transfers out and judicial expenses, and increases in general, planning and development, and public safety expenses. These amendments have been approved by City Council authorizations.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S CONTRIBUTIONS - PENSION
YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 9 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 10,233,137	\$ 9,894,590	\$ 11,071,936	\$ 9,117,950	\$ 8,119,349	\$ 6,888,470	\$ 6,155,138	\$ 5,815,863	\$ 5,669,535
Contributions made to the pension plan	<u>10,233,137</u>	<u>9,894,590</u>	<u>11,071,936</u>	<u>9,117,950</u>	<u>8,119,349</u>	<u>6,888,470</u>	<u>6,155,138</u>	<u>5,815,863</u>	<u>5,669,535</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 61,794,306	\$ 63,589,910	\$ 71,156,401	\$ 62,623,283	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010
Contributions as a percentage of covered payroll	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.87%	10.82%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 9 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually required contributions	\$ 8,909,360	\$ 8,537,277	\$ 8,233,662	\$ 7,519,937	\$ 6,777,860	\$ 5,784,601	\$ 5,548,189	\$ 5,031,606	\$ 4,736,002
Contributions made to the pension plan	<u>8,909,360</u>	<u>8,537,277</u>	<u>8,233,662</u>	<u>7,519,937</u>	<u>6,777,860</u>	<u>5,784,601</u>	<u>5,548,189</u>	<u>5,031,606</u>	<u>4,736,002</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 46,792,857	\$ 47,324,152	\$ 45,641,142	\$ 44,131,086	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676
Contributions as a percentage of covered payroll	19.04%	18.04%	18.04%	17.04%	16.04%	14.04%	13.54%	13.44%	12.91%

The City implemented GASB 68 during fiscal year 2015; as such only the last nine years of data are available. Each year the City will add an additional year of data until a total of ten years is presented.

See accompanying independent auditor's report.

**CITY OF COLUMBIA, SOUTH CAROLINA
SCHEDULES OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

**SOUTH CAROLINA RETIREMENT SYSTEM
LAST 9 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The City's percentage of the net pension liability	0.563246%	0.579680%	0.591528%	0.578106%	0.590550%	0.575439%	0.570267%	0.589139%	0.589139%
The City's proportionate share of the net pension liability	\$ 121,893,562	\$ 148,118,430	\$ 135,070,450	\$ 129,535,220	\$ 132,942,302	\$ 122,912,706	\$ 108,153,887	\$ 101,430,204	\$ 105,670,520
The City's covered payroll	\$ 63,589,910	\$ 71,156,401	\$ 62,623,283	\$ 59,877,207	\$ 59,588,839	\$ 55,652,247	\$ 53,480,622	\$ 52,411,010	\$ 51,204,018
The City's proportionate share of the net pension liability as a percentage of its covered payroll	191.69%	208.16%	215.69%	216.33%	223.10%	220.86%	202.23%	193.53%	206.37%
The Plan's fiduciary net position as a percentage of the total pension liability	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.92%	59.92%

**POLICE OFFICER'S RETIREMENT SYSTEM
LAST 9 FISCAL YEARS
(UNAUDITED)**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
The City's percentage of the net pension liability	3.112065%	2.988833%	3.011805%	3.01677%	3.02172%	3.17559%	3.03491%	3.06671%	3.06671%
The City's proportionate share of the net pension liability	\$ 80,070,765	\$ 99,116,039	\$ 86,316,550	\$ 85,481,582	\$ 82,781,885	\$ 80,547,962	\$ 66,145,819	\$ 58,710,014	\$ 63,572,138
The City's covered payroll	\$ 47,324,152	\$ 45,641,142	\$ 44,131,086	\$ 42,255,986	\$ 41,200,865	\$ 40,976,282	\$ 37,437,424	\$ 36,688,676	\$ 35,432,581
The City's proportionate share of the net pension liability as a percentage of its covered payroll	169.20%	217.16%	195.59%	202.29%	200.92%	196.57%	176.68%	160.02%	179.42%
The Plan's fiduciary net position as a percentage of the total pension liability	70.40%	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.55%	67.55%

The City implemented GASB 68 during fiscal year 2015, as such only the last nine years of data are available. Each year the City will add an additional year of data until a total of ten years is presented. The amounts presented above were determined as of June 30th of the preceding year.

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Liquor Permit Fee accounts for receipts from the sale of temporary permits to allow the possession, sale, and consumption of alcoholic liquors for a period not to exceed 24 hours.

Business Improvement District accounts for the Business Improvement District taxes assessed on the business in the downtown area of the City to promote downtown beautification.

Accommodations Tax accounts for the 2% State Hotel Accommodations Tax receipts to promote tourism-related activities of City organizations.

Confiscated Drug Program accounts for the disposition of forfeited property and money seized in Columbia by law enforcement agencies.

Hospitality Tax accounts for a 2% gross sales tax on prepared food and beverages sold in establishments to promote tourism-related activities of City organizations.

Community Development accounts for the Community Development Block Grants and other community development type grants.

Federal Grants accounts for the receipt of Federal grants except for Community Development Block Grants.

Other Programs accounts for miscellaneous programs for park improvements and special events.

Tourism Development Convention Center accounts for a 3% Tourism Development Fee imposed upon the rental of hotels, motels, and other lodging establishments in the City. This fee is dedicated to the attraction of and improvement of the services provided to tourists and to the retirement of the Series 2012 Certificates of Participation revenue bonds.

Debt Service Funds

Debt Service accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments financed by the Tourism Development Convention Center fund and the proprietary fund types. Ad valorem taxes, interest earnings on the investments of the Debt Service Fund, and interest earned on investments of certain Capital Projects Funds are used for the payment of principal, interest, and fiscal agent expenditures on the City's general obligation and revenue bonds.

Capital Project Funds

Congaree Vista District accounts for the construction and development of parks and infrastructure within the Congaree Vista District funded by tax increment district property tax revenues.

Streetscaping accounts for capital improvements to street landscaping.

General Capital Projects accounts for various capital improvements in the City.

Miscellaneous Projects accounts for various capital projects funded by the General Fund.

Permanent Trust

Anna Dickson Trust accounts for an endowment for which the investment income must be used to purchase flowers for the parks.

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022**

	Special Revenue									
	Liquor Permit Fee	Business Improvement District	Accommoda- tions Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Total Nonmajor Special Revenue Funds
ASSETS										
Cash and cash equivalents	\$ 1,466,067	\$ -	\$ 1,810,228	\$ 370,615	\$ 5,831,446	\$ -	\$ 113,559	\$ 1,037,651	\$ 2,213,319	\$ 12,842,885
Investments	383,228	-	111,075	-	1,434,942	-	-	214,091	-	2,143,336
Restricted investments	-	-	-	342,121	-	-	13,607,341	-	-	13,949,462
Receivables										
Federal government	-	-	-	2,043	-	2,248,446	2,873,298	-	-	5,123,787
State government	-	-	-	-	-	-	-	1,944	-	1,944
County government	-	-	-	-	-	-	-	-	85,250	85,250
Accounts, net	-	-	-	-	-	-	-	372	-	372
Accrued interest receivable	1,804	-	523	-	6,756	-	-	1,008	-	10,091
Due from grantee agencies	-	-	-	-	-	-	6	-	-	6
TOTAL ASSETS	\$ 1,851,099	\$ -	\$ 1,921,826	\$ 714,779	\$ 7,273,144	\$ 2,248,446	\$ 16,594,204	\$ 1,255,066	\$ 2,298,569	\$ 34,157,133
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 306,382	\$ 38,513	\$ 1,202,815	\$ 250,034	\$ 777,776	\$ 10,418	\$ 102,294	\$ 2,688,232
Accrued salaries and benefits	-	-	-	-	-	23,302	31,028	3,325	-	57,655
Refundable advances	-	-	-	342,121	476,421	-	8,443,354	39,290	-	9,301,186
Due to other funds	-	-	-	-	-	3,232,142	7,080,343	835,197	-	11,147,682
Total liabilities	-	-	306,382	380,634	1,679,236	3,505,478	16,332,501	888,230	102,294	23,194,755
Fund balances										
Restricted	1,851,099	-	1,615,444	334,145	5,593,908	-	261,703	366,836	2,196,275	12,219,410
Unassigned	-	-	-	-	-	(1,257,032)	-	-	-	(1,257,032)
Total fund balances	1,851,099	-	1,615,444	334,145	5,593,908	(1,257,032)	261,703	366,836	2,196,275	10,962,378
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,851,099	\$ -	\$ 1,921,826	\$ 714,779	\$ 7,273,144	\$ 2,248,446	\$ 16,594,204	\$ 1,255,066	\$ 2,298,569	\$ 34,157,133

(Continued)

**CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2022**

	Capital Projects					Total Nonmajor Capital Projects Funds	Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects		Anna Dickson Trust	
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 6,166,136	\$ 8,256,778	\$ -	\$ 14,422,914	\$ 5,064	\$ 27,270,863
Restricted cash and cash equivalents	2,036,285	4,256,671	-	-	4,361,763	8,618,434	-	10,654,719
Investments	405,142	1,266,394	1,871,067	1,123,419	1,117,340	5,378,220	-	7,926,698
Restricted investments	1,057,374	-	-	-	18,536,664	18,536,664	-	33,543,500
Receivables								
Federal government	-	-	-	-	-	-	-	5,123,787
State government	-	-	-	-	1,132,756	1,132,756	-	1,134,700
County government	-	-	-	-	-	-	-	85,250
Accounts, net	-	-	-	2,382	-	2,382	-	2,754
Accrued interest receivable	1,908	5,962	8,809	5,289	5,699	25,759	-	37,758
Due from grantee agencies	-	-	-	-	-	-	-	6
TOTAL ASSETS	<u>\$ 3,500,709</u>	<u>\$ 5,529,027</u>	<u>\$ 8,046,012</u>	<u>\$ 9,387,868</u>	<u>\$ 25,154,222</u>	<u>\$ 48,117,129</u>	<u>\$ 5,064</u>	<u>\$ 85,780,035</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 40,437	\$ 197,232	\$ 81,917	\$ 319,586	\$ -	\$ 3,007,818
Accrued salaries and benefits	-	-	-	-	-	-	-	57,655
Retainage payable	-	-	-	2,525	-	2,525	-	2,525
Refundable advances	-	-	-	-	24	24	-	9,301,210
Due to other funds	-	-	-	-	1,125,851	1,125,851	-	12,273,533
Total liabilities	-	-	40,437	199,757	1,207,792	1,447,986	-	24,642,741
Fund balances								
Nonspendable	-	-	-	-	-	-	5,064	5,064
Restricted	3,500,709	5,529,027	-	-	23,946,430	29,475,457	-	45,195,576
Assigned	-	-	8,005,575	9,188,111	-	17,193,686	-	17,193,686
Unassigned	-	-	-	-	-	-	-	(1,257,032)
Total fund balances	3,500,709	5,529,027	8,005,575	9,188,111	23,946,430	46,669,143	5,064	61,137,294
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,500,709</u>	<u>\$ 5,529,027</u>	<u>\$ 8,046,012</u>	<u>\$ 9,387,868</u>	<u>\$ 25,154,222</u>	<u>\$ 48,117,129</u>	<u>\$ 5,064</u>	<u>\$ 85,780,035</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

Special Revenue									Total	
Liquor Permit Fee	Business Improvement District	Accommo- dations Tax	Confiscated Drug Program	Hospitality Tax	Community Development	Federal Grants	Other Programs	Tourism Development Convention Center	Nonmajor Special Revenue Funds	
REVENUES										
General property taxes	\$ -	\$ 1,046,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,046,284	
Hospitality and admission taxes	-	-	-	13,502,823	-	-	-	-	13,502,823	
Accommodations tax	-	-	3,083,993	-	-	-	-	-	3,083,993	
Tourism development fee	-	-	-	-	-	-	-	4,149,233	4,149,233	
Liquor permit fee	275,695	-	-	-	-	-	-	-	275,695	
Intergovernmental revenue	-	-	-	-	2,683	18,873	4,639	-	26,195	
Charges for services	-	-	-	-	-	-	12,222	-	12,222	
Fines and forfeitures	-	-	-	30,507	-	-	50,597	-	81,104	
Federal government	-	-	-	-	4,064,913	8,711,733	-	-	12,776,646	
State government	-	-	-	-	-	-	10,000	-	10,000	
County government	-	-	-	-	-	-	-	2,878,009	2,878,009	
Private grants	-	-	-	-	-	-	10,514	-	10,514	
Other revenues	-	-	-	-	-	-	159,975	-	159,975	
Total revenues	275,695	1,046,284	3,083,993	30,507	13,502,823	8,730,606	247,947	7,027,242	38,012,693	
EXPENDITURES										
Current										
General government	1,152	-	334	-	254,309	-	317,184	14,266	-	587,245
Judicial	-	-	-	-	-	-	71,500	-	-	71,500
Finance department	-	-	-	-	-	-	142,500	-	-	142,500
Planning and development	-	-	-	-	-	-	250,833	-	-	250,833
Public safety	-	-	-	51,566	-	-	3,522,793	242,756	-	3,817,115
Parks and recreation	-	-	-	-	-	-	245,250	33,388	-	278,638
Public services	-	-	-	-	-	-	3,017,705	-	-	3,017,705
General services	-	-	-	-	-	-	906,125	-	80,554	986,679
Tourism and community development	-	1,046,284	1,852,094	-	4,363,693	2,595,302	-	-	3,882,943	13,740,316
Debt service										
Principal payment on bonds	-	-	-	-	-	-	-	-	2,660,000	2,660,000
Interest on bonds	-	-	-	-	-	-	-	-	60,914	60,914
Fiscal agent charges	-	-	-	-	-	-	-	-	1,815	1,815
Capital outlay										
Capital outlay	-	-	-	-	-	-	171,571	-	-	171,571
Total expenditures	1,152	1,046,284	1,852,428	51,566	4,618,002	2,595,302	8,645,461	290,410	6,686,226	25,786,831
Excess (deficiency) of revenues over (under) expenditures	274,543	-	1,231,565	(21,059)	8,884,821	1,472,294	85,145	(42,463)	341,016	12,225,862
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	256,302	-	-	-	-	256,302
Transfers (out)	-	-	(25,000)	-	(7,876,791)	(1,694,903)	(82,475)	-	-	(9,679,169)
Investment income (loss)	(10,100)	-	(2,928)	14	(37,818)	-	-	(5,643)	-	(56,475)
Total other financing (uses) sources	(10,100)	-	(27,928)	14	(7,914,609)	(1,438,601)	(82,475)	(5,643)	-	(9,479,342)
Net change in fund balances	264,443	-	1,203,637	(21,045)	970,212	33,693	2,670	(48,106)	341,016	2,746,520
Beginning fund balances	1,586,656	-	411,807	355,190	4,623,696	(1,290,725)	259,033	414,942	1,855,259	8,215,858
Ending fund balances (deficits)	\$ 1,851,099	\$ -	\$ 1,615,444	\$ 334,145	\$ 5,593,908	\$ (1,257,032)	\$ 261,703	\$ 366,836	\$ 2,196,275	\$ 10,962,378

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
Year Ended June 30, 2022

	Capital Projects					Permanent Trust	Total Nonmajor Governmental Funds
	Debt Service Fund	Congaree Vista District	Streetscaping	General Capital Projects	Miscellaneous Projects	Total Nonmajor Capital Projects Funds	
REVENUES							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,046,284
Hospitality and admission taxes	-	-	-	-	-	-	13,502,823
Accommodations tax	-	-	-	-	-	-	3,083,993
Tourism development fee	-	-	-	-	-	-	4,149,233
Liquor permit fee	-	-	-	-	-	-	275,695
Intergovernmental revenue	-	-	-	-	-	-	26,195
Charges for services	-	-	-	-	-	-	12,222
Fines and forfeitures	-	-	-	-	-	-	81,104
Federal government	-	-	-	-	-	-	12,776,646
State government	-	-	-	-	-	-	10,000
County government	-	-	-	-	-	-	2,878,009
Private grants	-	-	835,053	419,350	1,132,756	2,387,159	2,397,673
Lease revenue	-	-	-	115,083	-	115,083	115,083
Other revenues	-	-	-	-	-	-	159,975
Total revenues	-	-	835,053	534,433	1,132,756	2,502,242	40,514,935
EXPENDITURES							
Current							
General government	1,217	3,803	5,620	3,373	3,742	16,538	605,000
Judicial	-	-	-	-	-	-	71,500
Finance department	-	-	-	-	-	-	142,500
Planning and development	-	-	-	-	-	-	250,833
Public safety	-	-	-	-	-	-	3,817,115
Parks and recreation	-	-	-	-	-	-	278,638
Public services	-	-	-	-	-	-	3,017,705
General services	-	-	-	-	-	-	986,679
Tourism and community development	-	-	-	-	-	-	13,740,316
Debt service							
Principal payment on bonds	4,020,000	-	-	-	26,174,999	26,174,999	32,854,999
Interest on bonds	3,730,491	-	-	-	-	-	3,791,405
Issuance costs	-	-	-	-	3,823,435	3,823,435	3,823,435
Fiscal agent charges	15,644	-	-	-	6,600	6,600	24,059
Capital outlay							
Capital outlay	-	-	1,286,789	7,795,551	1,616,702	10,699,042	10,870,613
Total expenditures	7,767,352	3,803	1,292,409	7,798,924	31,625,478	40,720,614	74,274,797
Excess (deficiency) of revenues (under) over expenditures	(7,767,352)	(3,803)	(457,356)	(7,264,491)	(30,492,722)	(38,218,372)	(33,759,862)
OTHER FINANCING SOURCES (USES)							
Transfers in	7,750,491	-	428,736	14,789,027	493,112	15,710,875	23,717,668
Transfers (out)	-	-	(1,400,000)	(1,111,716)	(10,839,473)	(13,351,189)	(23,030,358)
Issuance of bond	-	-	-	-	29,900,000	29,900,000	29,900,000
Investment income (loss)	(9,786)	(33,377)	(49,313)	(29,608)	(20,753)	(133,051)	(199,296)
Total other financing sources (uses)	7,740,705	(33,377)	(1,020,577)	13,647,703	19,532,886	32,126,635	30,388,014
Net change in fund balances	(26,647)	(37,180)	(1,477,933)	6,383,212	(10,959,836)	(6,091,737)	(3,371,848)
Beginning fund balances	3,527,356	5,566,207	9,483,508	2,804,899	34,906,266	52,760,880	64,509,142
Ending fund balances	<u>\$ 3,500,709</u>	<u>\$ 5,529,027</u>	<u>\$ 8,005,575</u>	<u>\$ 9,188,111</u>	<u>\$ 23,946,430</u>	<u>\$ 46,669,143</u>	<u>\$ 61,137,294</u>

See accompanying independent auditor's report.

NONMAJOR ENTERPRISE FUNDS

Nonmajor Enterprise Funds are used to account for operations of the City (a) that are financed and operated in a manner similar to private business where the intent is for the cost of providing goods or services to be recovered, in whole or in part, through user charges; or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. These funds include:

Hydro-electric Facilities Fund accounts for hydro-electric plant activities.

Stormwater Facilities Fund accounts for stormwater utility activities.

Redevelopment Programs Fund accounts for various home rehabilitation and mortgage lending programs funded from various sources.

Parks and Recreation Camp Fund accounts for the parks and recreation camp activities.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2022

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ -	\$ 19,738,500	\$ 9,742,571	\$ -	\$ 29,481,071
Investments	-	16,042,585	-	-	16,042,585
Restricted investments	-	1,037,838	-	-	1,037,838
Accounts receivable, net	-	450	-	-	450
Accrued interest receivable	-	75,532	-	-	75,532
Due from federal government	-	-	55,694	-	55,694
Prepaid expenses	-	8,585	496	-	9,081
Real estate held for resale	-	-	441,335	-	441,335
Total current assets	-	36,903,490	10,240,096	-	47,143,586
Noncurrent assets					
Mortgage notes receivable, net	-	-	21,675,123	-	21,675,123
Investments	-	28,383,680	-	-	28,383,680
Capital assets					
Land	327,169	255,685	-	-	582,854
Buildings, improvements and utility plant	18,155,310	35,536,117	-	-	53,691,427
Machinery and equipment	-	5,351,842	-	-	5,351,842
Less accumulated depreciation	(6,714,303)	(12,488,249)	-	-	(19,202,552)
Construction in progress	-	17,908,379	200,000	-	18,108,379
Net capital assets	11,768,176	46,563,774	200,000	-	58,531,950
Total noncurrent assets	11,768,176	74,947,454	21,875,123	-	108,590,753
TOTAL ASSETS	11,768,176	111,850,944	32,115,219	-	155,734,339
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to the net pension liability	-	662,759	61,236	34,745	758,740
Deferred outflows related to OPEB liability	-	1,257,360	33,402	46,074	1,336,836
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	1,920,119	94,638	80,819	2,095,576

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
June 30, 2022

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION					
Current liabilities					
Accounts payable	\$ 57,701	\$ 764,456	\$ 26,429	\$ 15,221	\$ 863,807
Accrued salaries and benefits	-	120,875	2,246	30,307	153,428
Compensated absences	-	19,699	-	-	19,699
Retainage payable	-	7,151	-	-	7,151
Accrued interest payable	-	737,333	-	-	737,333
Revenue bonds payable	-	720,000	-	-	720,000
Due to other funds	9,037,982	-	-	246,301	9,284,283
Unearned revenue	-	-	85,817	-	85,817
Total current liabilities	9,095,683	2,369,514	114,492	291,829	11,871,518
Noncurrent liabilities					
Compensated absences	-	78,797	14,109	-	92,906
Net pension liability	-	3,400,842	294,288	251,030	3,946,160
Total OPEB liability	-	3,722,591	251,431	463,237	4,437,259
Revenue bonds payable - net	-	39,901,304	-	-	39,901,304
Total noncurrent liabilities	-	47,103,534	559,828	714,267	48,377,629
Total liabilities	9,095,683	49,473,048	674,320	1,006,096	60,249,147
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to the net pension liability	-	680,406	21,795	27,410	729,611
Deferred inflows related to the net OPEB liability	-	1,300,913	34,559	47,670	1,383,142
TOTAL DEFERRED INFLOWS OF RESOURCES	-	1,981,319	56,354	75,080	2,112,753
FUND NET POSITION					
Net investment in capital assets	11,768,176	34,318,999	200,000	-	46,287,175
Restricted for debt service	-	1,037,838	-	-	1,037,838
Unrestricted	(9,095,683)	26,959,859	31,279,183	(1,000,357)	48,143,002
Total fund net position	\$ 2,672,493	\$ 62,316,696	\$ 31,479,183	\$ (1,000,357)	\$ 95,468,015

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2022

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Operating revenues					
Charges for service	\$ -	\$ 17,266,166	\$ 876,451	\$ 168,432	\$ 18,311,049
Intergovernmental revenue	-	21,443	278	670	22,391
Total operating revenues	<u>-</u>	<u>17,287,609</u>	<u>876,729</u>	<u>169,102</u>	<u>18,333,440</u>
Operating expenses					
Personnel services	-	3,404,777	142,721	201,867	3,749,365
Materials and supplies	-	179,927	13,499	32,927	226,353
Other services and charges	324,803	3,674,222	883,075	33,548	4,915,648
Depreciation	393,291	1,841,776	-	-	2,235,067
Bad debt expense	-	-	110,733	-	110,733
Total operating expenses	<u>718,094</u>	<u>9,100,702</u>	<u>1,150,028</u>	<u>268,342</u>	<u>11,237,166</u>
Operating income (loss)	<u>(718,094)</u>	<u>8,186,907</u>	<u>(273,299)</u>	<u>(99,240)</u>	<u>7,096,274</u>
Nonoperating revenues (expenses)					
Investment income (loss)	-	(404,151)	59,624	-	(344,527)
Federal grant revenue	-	383	751,217	-	751,600
Gain (loss) from sale of assets	-	743	-	-	743
Interest expense	-	(1,613,828)	-	-	(1,613,828)
Bond related costs	-	(2,750)	-	-	(2,750)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(2,019,603)</u>	<u>810,841</u>	<u>-</u>	<u>(1,208,762)</u>
Income (loss) before contributions and transfers	<u>(718,094)</u>	<u>6,167,304</u>	<u>537,542</u>	<u>(99,240)</u>	<u>5,887,512</u>
Transfers					
Transfers in	-	-	972,657	-	972,657
Transfers out	-	(1,056,899)	(256,302)	(1,855)	(1,315,056)
Total transfers	<u>-</u>	<u>(1,056,899)</u>	<u>716,355</u>	<u>(1,855)</u>	<u>(342,399)</u>
Change in net position	<u>(718,094)</u>	<u>5,110,405</u>	<u>1,253,897</u>	<u>(101,095)</u>	<u>5,545,113</u>
Net position - beginning of period	<u>3,390,587</u>	<u>57,206,291</u>	<u>30,225,286</u>	<u>(899,262)</u>	<u>89,922,902</u>
Net position - ending	<u>\$ 2,672,493</u>	<u>\$ 62,316,696</u>	<u>\$ 31,479,183</u>	<u>\$ (1,000,357)</u>	<u>\$ 95,468,015</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2022

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Programs Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities					
Receipts from customers and users	\$ -	\$ 17,272,857	\$ 986,893	\$ 168,071	\$ 18,427,821
Internal activity - payments to other funds	-	(405,159)	-	-	(405,159)
Payments to suppliers	(290,374)	(6,438,189)	(1,008,305)	(53,257)	(7,790,125)
Payments to employees	-	(1,839,331)	(66,422)	(82,528)	(1,988,281)
Net cash (used in) provided by operating activities	(290,374)	8,590,178	(87,834)	32,286	8,244,256
Cash flows from noncapital financing activities					
Advances from other funds	290,374	-	-	-	290,374
Advances to other funds	-	-	(204,612)	(30,431)	(235,043)
Operating grants	-	383	695,523	-	695,906
Transfers in	-	-	972,657	-	972,657
Transfers out	-	(1,056,899)	(256,302)	(1,855)	(1,315,056)
Net cash provided by (used in) noncapital financing activities	290,374	(1,056,516)	1,207,266	(32,286)	408,838
Cash flows from capital and related financing activities					
Principal paid on bonds and notes	-	(685,000)	-	-	(685,000)
Interest paid on debt	-	(1,803,850)	-	-	(1,803,850)
Payments for bond related costs	-	(2,750)	-	-	(2,750)
Purchase of capital assets	-	(5,503,874)	(200,000)	-	(5,703,874)
Proceeds from sale of capital assets	-	743	-	-	743
Net cash used in capital and related financing activities	-	(7,994,731)	(200,000)	-	(8,194,731)
Cash flows from investing activities					
Sale of investments	-	6,914,911	-	-	6,914,911
Collections of mortgage notes receivable	-	-	1,694,398	-	1,694,398
Interest received	-	-	59,624	-	59,624
Net cash provided by investing activities	-	6,914,911	1,754,022	-	8,668,933
Net increase in cash and cash equivalents	-	6,453,842	2,673,454	-	9,127,296
Cash and cash equivalents, July 1, 2021	-	13,284,658	7,069,117	-	20,353,775
Cash and cash equivalents, June 30, 2022	\$ -	\$ 19,738,500	\$ 9,742,571	\$ -	\$ 29,481,071

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
Year Ended June 30, 2022

	Hydro-electric Facilities Fund	Stormwater Facilities Fund	Redevelopment Program Fund	Parks and Recreation Camp Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities					
Operating (loss) income	<u>\$ (718,094)</u>	<u>\$ 8,186,907</u>	<u>\$ (273,299)</u>	<u>\$ (99,240)</u>	<u>\$ 7,096,274</u>
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	393,291	1,841,776	-	-	2,235,067
Bad debt expense	-	-	110,733	-	110,733
Accrued benefits related to net pension liability	-	(29,999)	10,861	23,878	4,740
Change in operating assets and liabilities					
Accounts receivable	-	300	-	-	300
Prepaid expenses	-	(542)	(496)	-	(1,038)
Accounts payable	34,429	(1,701,197)	14,393	13,468	(1,638,907)
Accrued salaries	-	12,935	765	24,778	38,478
Accrued compensated absences	-	(385)	14,109	-	13,724
OPEB liability	-	295,435	35,669	70,433	401,537
Unearned revenue	-	(15,052)	(569)	(1,031)	(16,652)
Total adjustments	<u>427,720</u>	<u>403,271</u>	<u>185,465</u>	<u>131,526</u>	<u>1,147,982</u>
Net cash (used in) provided by operating activities	<u><u>\$ (290,374)</u></u>	<u><u>\$ 8,590,178</u></u>	<u><u>\$ (87,834)</u></u>	<u><u>\$ 32,286</u></u>	<u><u>\$ 8,244,256</u></u>

See accompanying independent auditor's report.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies in the City, or to other governments, on a user charge basis. These funds include:

Fleet Management accounts for the maintenance and repair of vehicles.

Support Services accounts for a decentralized governmental and enterprise inventory system, a central supply facility, procurement functions, and the City's general maintenance functions.

Risk Management accounts for the costs associated with liability plans for employee health, worker's compensation, and tort liability for all City departments.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,578,972	\$ 882,635	\$ 88,663,217	\$ 93,124,824
Accounts receivable, net	124,470	-	661,827	786,297
Due from other funds	-	-	15,993,403	15,993,403
Inventory	-	1,145,357	-	1,145,357
Prepaid expenses	3,479	92,641	-	96,120
Total current assets	3,706,921	2,120,633	105,318,447	111,146,001
Noncurrent assets				
Right to use leased assets net of amortization	-	-	158,935	158,935
Capital assets				
Buildings, improvements and utility plant	903,586	10,990	-	914,576
Machinery and equipment	316,696	1,270,641	-	1,587,337
Less accumulated depreciation	(1,057,502)	(1,280,532)	-	(2,338,034)
Net capital assets	162,780	1,099	-	163,879
Total noncurrent assets	162,780	1,099	158,935	322,814
TOTAL ASSETS	3,869,701	2,121,732	105,477,382	111,468,815
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to other postemployment benefits liability	1,097,736	979,991	53,380,893	55,458,620
Deferred outflows related to the net pension liability	638,028	387,078	97,195	1,122,301
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,735,764	1,367,069	53,478,088	56,580,921

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
June 30, 2022

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
LIABILITIES, DEFERRED INFLOWS AND FUND NET POSITION				
Current liabilities				
Accounts payable	\$ 1,914,197	\$ 204,707	\$ 370,492	\$ 2,489,396
Accrued salaries and benefits	109,420	103,952	44,054	257,426
Compensated absences	18,457	31,578	21,619	71,654
Lease liability, current portion	-	-	52,867	52,867
Accrued interest payable	-	-	53	53
Due to other funds	1,735,645	1,507,093	7,443	3,250,181
Accrued liability for claims	-	-	17,359,855	17,359,855
Total current liabilities	<u>3,777,719</u>	<u>1,847,330</u>	<u>17,856,383</u>	<u>23,481,432</u>
Noncurrent liabilities				
Lease liability, net of current portion	-	-	106,343	106,343
Compensated absences	89,636	126,316	70,666	286,618
Net pension liability	3,424,387	1,148,910	149,878	4,723,175
Total OPEB liability	<u>3,234,167</u>	<u>(310,626)</u>	<u>154,447,097</u>	<u>157,370,638</u>
Total noncurrent liabilities	<u>6,748,190</u>	<u>964,600</u>	<u>154,773,984</u>	<u>162,486,774</u>
Total liabilities	<u>10,525,909</u>	<u>2,811,930</u>	<u>172,630,367</u>	<u>185,968,206</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to other postemployment benefits liability	1,135,760	1,013,937	55,229,943	57,379,640
Deferred inflows related to the net pension liability	<u>602,349</u>	<u>501,219</u>	<u>183,394</u>	<u>1,286,962</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,738,109</u>	<u>1,515,156</u>	<u>55,413,337</u>	<u>58,666,602</u>
FUND NET POSITION				
Net investment in capital assets	162,780	1,099	-	163,879
Unrestricted	<u>(6,821,333)</u>	<u>(839,384)</u>	<u>(69,088,234)</u>	<u>(76,748,951)</u>
Total fund net position	<u>\$ (6,658,553)</u>	<u>\$ (838,285)</u>	<u>\$ (69,088,234)</u>	<u>\$ (76,585,072)</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Charges for service	\$ 10,834,913	\$ 909,533	\$ 38,700,483	\$ 50,444,929
Intergovernmental revenues	13,700	13,056	5,165	31,921
Other operating revenue	-	-	1,154	1,154
Total operating revenues	10,848,613	922,589	38,706,802	50,478,004
Operating expenses				
Personnel services	2,701,808	1,625,877	12,672,841	17,000,526
Materials and supplies	8,797,409	466,330	108,950	9,372,689
Other services and charges	223,883	2,125,294	1,647,929	3,997,106
Heat, light and power	-	-	3,870	3,870
Depreciation	18,072	1,099	-	19,171
Amortization	-	-	52,978	52,978
Claims and premiums	-	-	29,665,130	29,665,130
Total operating expenses	11,741,172	4,218,600	44,151,698	60,111,470
Operating loss	(892,559)	(3,296,011)	(5,444,896)	(9,633,466)
Nonoperating revenues (expenses)				
Investment income	-	-	145,916	145,916
Interest expense	-	-	(762)	(762)
Total nonoperating revenues (expenses)	-	-	145,154	145,154
Loss before contributions and transfers	(892,559)	(3,296,011)	(5,299,742)	(9,488,312)
Transfers				
Transfers in	1,789,486	4,377,908	6,803,881	12,971,275
Transfers out	-	(85,309)	(3,330,588)	(3,415,897)
Total transfers	1,789,486	4,292,599	3,473,293	9,555,378
Change in net position	896,927	996,588	(1,826,449)	67,066
Net position - beginning of period	(7,555,480)	(1,834,873)	(67,261,785)	(76,652,138)
Net position - ending	\$ (6,658,553)	\$ (838,285)	\$ (69,088,234)	\$ (76,585,072)

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 549,486	\$ -	\$ -	\$ 549,486
Internal activity - receipts from other funds	10,218,731	909,849	38,482,536	49,611,116
Payments to suppliers	(9,152,751)	(3,613,621)	25,129	(12,741,243)
Claims paid	-	-	(27,595,514)	(27,595,514)
Payments to employees	(1,563,771)	(1,503,572)	(606,049)	(3,673,392)
Net cash provided by (used in) operating activities	<u>51,695</u>	<u>(4,207,344)</u>	<u>10,306,102</u>	<u>6,150,453</u>
Cash flows from noncapital financing Activities				
Advances from other funds	1,723,026	577,386	-	2,300,412
Advances to other funds	-	-	(15,997,532)	(15,997,532)
Transfers in	1,789,486	4,377,908	6,803,881	12,971,275
Transfers out	-	(85,309)	(3,330,588)	(3,415,897)
Net cash (used in) provided by noncapital financing activities	<u>3,512,512</u>	<u>4,869,985</u>	<u>(12,524,239)</u>	<u>(4,141,742)</u>
Cash flows from capital and related financing activities				
Payment for lease liability	-	-	(52,703)	(52,703)
Interest paid	-	-	(709)	(709)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(53,412)</u>	<u>(53,412)</u>
Cash flows from investing activities				
Interest received	-	-	145,916	145,916
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>145,916</u>	<u>145,916</u>
Net decrease in cash and cash equivalents	3,564,207	662,641	(2,125,633)	2,101,215
Cash and cash equivalents, July 1, 2021	<u>14,765</u>	<u>219,994</u>	<u>90,788,850</u>	<u>91,023,609</u>
Cash and cash equivalents, June 30, 2022	<u><u>\$ 3,578,972</u></u>	<u><u>\$ 882,635</u></u>	<u><u>\$ 88,663,217</u></u>	<u><u>\$ 93,124,824</u></u>

(Continued)

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
Year Ended June 30, 2022

	Fleet Management Fund	Support Services Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating loss to net cash provided by (used in) operating activities				
Operating loss	\$ (892,559)	\$ (3,296,011)	\$ (5,444,896)	\$ (9,633,466)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	18,072	1,099	-	19,171
Amortization	-	-	52,978	52,978
Accrued benefits related to net pension liability	(27,398)	(861,758)	(63,220)	(952,376)
Change in operating assets and liabilities				
Accounts receivable	(80,396)	-	(219,890)	(300,286)
Inventory	-	(229,163)	-	(229,163)
Prepaid expenses	(1,339)	(380)	1,950,129	1,948,410
Accounts payable	790,505	(66,074)	68,557	792,988
Accrued salaries and benefits	3,400	13,840	5,510	22,750
Accrued compensated absences	(13,630)	6,490	4,678	(2,462)
OPEB liability	255,040	237,353	11,887,016	12,379,409
Accrued liability for claims	-	-	2,069,616	2,069,616
Unearned revenue	-	(12,740)	(4,376)	(17,116)
Total adjustments	944,254	(911,333)	15,750,998	15,783,919
Net cash provided (used in) by operating activities	<u>\$ 51,695</u>	<u>\$ (4,207,344)</u>	<u>\$ 10,306,102</u>	<u>\$ 6,150,453</u>

See accompanying independent auditor's report.

FIDUCIARY FUNDS

Private-Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Breast Cancer Awareness fund – accounts for contributions made and revenue raised on behalf of breast cancer awareness in the Midlands region.

Employee Special Activity fund – accounts for contributions made and revenue raised to support educational activities and benevolent events.

Mayor's Commission Employ People with Disabilities fund – accounts for contributions made to help individuals with disabilities find jobs.

Custodial Funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2022

	Private-Purpose Trust Funds			
	Breast Cancer Awareness Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ASSETS				
Cash and cash equivalents	\$ 2,675	\$ 514	\$ 2,600	\$ 5,789
Total assets	<u>2,675</u>	<u>514</u>	<u>2,600</u>	<u>5,789</u>
NET POSITION				
Held in trust - other purposes	<u>\$ 2,675</u>	<u>\$ 514</u>	<u>\$ 2,600</u>	<u>\$ 5,789</u>

See accompanying independent auditor's report.

CITY OF COLUMBIA, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2022

	Private-Purpose Trust Funds			
	Breast Cancer Awareness Fund	Employee Special Activity Fund	Mayor's Commission Employ People with Disabilities Fund	Total Private-Purpose Trust Funds
ADDITIONS				
Contributions:				
Private donations	\$ 14,898	\$ 4	\$ 17	\$ 14,919
Total contributions	<u>14,898</u>	<u>4</u>	<u>17</u>	<u>14,919</u>
DEDUCTIONS				
Program expenses	14,062	-	3	14,065
Total deductions	<u>14,062</u>	<u>-</u>	<u>3</u>	<u>14,065</u>
Change in net position	836	4	14	854
Net position - beginning	<u>1,839</u>	<u>510</u>	<u>2,586</u>	<u>4,935</u>
Net position - ending	<u>\$ 2,675</u>	<u>\$ 514</u>	<u>\$ 2,600</u>	<u>\$ 5,789</u>

See accompanying independent auditor's report.

OTHER SCHEDULE

**CITY OF COLUMBIA, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED JUNE 30, 2022**

For the State Treasurer's Office	Municipal Court
COUNTY/MUNICIPAL FUNDS COLLECTED by the CLERK OF COURT	
Court Fines and Assessments:	
Court fines and assessments collected	\$ 757,158
Court fines and assessments remitted to the State Treasurer	499,714
Total Court Fines and Assessments Retained	\$ 1,256,872
 Surcharges and Assessments Retained for Victim Services:	
Surcharges Collected and Retained	\$ 7,719
Assessments Retained	42,878
Total Surcharges and Assessments Retained for Victim Services	\$ 50,597
 <u>For the Department of Crime Victim Compensation (DCVC)</u>	
Victim Service Funds Collected	
Carryforward From Previous Year - Beginning Balance	\$ -
<u>Victim Service Revenue</u>	
Victim Service Assessments Retained by City/County Treasurer	42,878
Victim Service Surcharges Retained by City/County Treasurer	7,719
Total Funds Allocated to Victim Service Fund plus Beginning Balance	50,597
 <u>Expenditures for Victim Service Program:</u>	
Operating Expenditures	242,755
Total Expenditures from Victim Services Fund	242,755
Total Victim Service Funds Retained by Municipal County Treasurer	(192,158)
Carryforward Funds - End of Year	\$ (192,158)

See accompanying independent auditor's report.

STATISTICAL SECTION
(UNAUDITED)

City of Columbia, South Carolina Statistical Section

This part of the City of Columbia's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends (Schedule 1 through 4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity (Schedule 5 through 8)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity (Schedule 9 through 16)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information (Schedule 17 through 19)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information (Schedule 20 through 21)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

Schedule 1
CITY OF COLUMBIA, SOUTH CAROLINA
Net Position by Component (unaudited)

Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018 ⁵	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets ¹	\$ 155,118,428	\$ 156,454,488	\$ 162,102,481	\$ 163,832,021	\$ 172,110,861	\$ 173,383,176	\$ 164,314,702	\$ 160,452,270	\$ 160,830,895	\$ 156,647,238
Restricted for:										
Public safety	2,294,259	4,233,960	231,622	353,801	617,492	707,867	669,477	590,284	614,223	595,848
Community development	209,030	107,259	1,051,042	628,926	1,069,540	1,326,957	1,312,617	1,575,961	1,065,698	1,042,709
Tourism	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829	5,715,193	5,275,638	8,477,418	11,256,726
Debt service	3,512,035	3,339,548	3,978,932	4,213,150	3,965,407	3,261,555	3,491,801	3,532,006	3,527,356	3,500,709
Capital projects	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189	14,649,565	16,641,752	42,358,238	33,965,392
Unrestricted ^{2,4,5}	25,840,430	26,906,641	(109,340,207)	(81,441,812)	(192,244,224)	(154,202,089)	(149,355,025)	(142,896,935)	(168,788,848)	(144,711,841)
Total governmental activities net position	\$ 207,388,220	\$ 214,030,566	\$ 106,415,505	\$ 107,414,834	\$ 4,412,072	\$ 41,762,484	\$ 40,798,330	\$ 45,170,976	\$ 48,084,980	\$ 62,296,781
Business-type activities										
Net investment in capital assets ¹	\$ 373,649,773	\$ 375,763,776	\$ 368,742,602	\$ 401,468,909	\$ 443,267,179	\$ 434,302,299	\$ 430,555,601	\$ 436,753,431	\$ 431,093,455	\$ 429,469,640
Restricted for debt service	9,315,421	9,330,640	9,352,281	9,404,442	1,252,137	1,270,897	1,302,306	-	4,091,220	3,586,107
Unrestricted ⁵	237,703,681	252,831,152	224,972,741	208,565,893	182,771,075	140,727,380	140,945,824	158,795,748	148,886,083	164,136,575
Total business-type activities net position	\$ 620,668,875	\$ 637,925,568	\$ 603,067,624	\$ 619,439,244	\$ 627,290,391	\$ 576,300,576	\$ 572,803,731	\$ 595,549,179	\$ 584,070,758	\$ 597,192,322
Primary government										
Net investment in capital assets ¹	\$ 528,768,201	\$ 532,218,264	\$ 530,845,083	\$ 565,300,930	\$ 615,378,040	\$ 607,685,475	\$ 594,870,303	\$ 597,205,701	\$ 591,924,350	\$ 586,116,878
Restricted for:										
Public safety	2,294,259	4,233,960	231,622	353,801	617,492	707,867	669,477	590,284	614,223	595,848
Community development	209,030	107,259	1,051,042	628,926	1,069,540	1,326,957	1,312,617	1,575,961	1,065,698	1,042,709
Tourism related expenditures	5,149,465	3,155,058	6,127,487	6,551,888	7,646,425	5,599,829	5,715,193	5,275,638	8,477,418	11,256,726
Debt service	12,827,456	12,670,188	13,331,213	13,617,592	5,217,544	4,532,452	4,794,107	3,532,006	7,618,576	7,086,816
Capital projects	15,264,573	19,833,612	42,264,148	13,276,860	11,246,571	11,685,189	14,649,565	16,641,752	42,358,238	33,965,392
Unrestricted ^{2,3,4,5}	263,544,111	279,737,793	115,632,534	127,124,081	(9,473,149)	(13,474,709)	(8,409,201)	15,898,813	(19,902,765)	19,424,734
Total primary government net position	\$ 828,057,095	\$ 851,956,134	\$ 709,483,129	\$ 726,854,078	\$ 631,702,463	\$ 618,063,060	\$ 613,602,061	\$ 640,720,155	\$ 632,155,738	\$ 659,489,103

¹ Net of related liabilities.

² Year 2013 have been restated to reflect the adoption of GASB Statement 65.

³ Year 2016 has been restated to reflect the adoption of GASB Statement 68.

⁴ Year 2017 has been restated to reflect the adoption of GASB Statement 75.

⁵ Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue

See accompanying independent auditor's report.

Schedule 2
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Net Position (unaudited)

Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017 **	2018 * **	2019	2020	2021	2022
Expenses										
Governmental Activities: *										
General government	\$ 17,577,215	\$ 8,049,816	\$ 8,050,355	\$ 16,584,496	\$ 21,967,466	\$ 23,203,693	\$ 24,646,183	\$ 23,829,739	\$ 24,216,858	\$ 26,105,195
Judicial	2,601,919	2,615,194	2,749,136	2,821,703	3,515,045	3,594,550	3,243,546	3,388,992	3,500,993	3,598,939
Finance department	2,051,555	1,726,481	1,886,778	1,872,071	1,857,440	1,906,543	1,873,596	2,055,884	2,085,404	1,850,771
Community promotions	11,915,733	12,872,657	10,660,364	14,374,726	8,847,034	347,449	259,673	343,746	55,255	127,977
Planning and development	-	-	-	-	4,267,580	4,314,300	4,495,177	4,708,218	4,256,319	4,045,394
Public safety	73,682,870	84,053,096	87,251,472	93,500,619	92,143,229	97,240,671	100,864,885	105,007,457	109,125,861	107,445,145
Parks and recreation	11,329,817	12,290,401	13,081,872	13,936,365	13,884,956	14,862,563	15,452,425	14,941,915	14,836,783	14,620,575
Public services	23,483,659	21,960,858	24,282,518	23,134,424	16,558,862	18,569,541	19,565,757	21,844,507	19,696,659	19,223,731
General services	4,540,814	4,933,285	5,269,511	5,423,712	2,539,388	2,585,254	2,680,538	2,758,595	2,843,703	3,778,925
Tourism and community development	5,855,023	5,787,850	5,791,062	5,523,831	14,411,919	22,250,372	21,965,449	20,324,371	16,731,313	17,910,339
Interest and other charges	3,027,411	2,955,994	4,491,254	4,289,910	3,732,649	3,814,060	2,719,188	2,743,988	4,817,145	4,796,553
Non departmental	2,455,260	2,515,184	2,141,310	3,656,099	4,984,358	3,365,104	-	-	-	-
Unallocated depreciation	-	-	-	-	-	-	1,529,083	1,531,898	1,531,898	1,531,898
Total governmental activities expense	158,521,276	159,760,816	165,655,632	185,117,956	188,709,926	196,054,100	199,295,500	203,479,310	203,698,191	205,035,442
Business-type Activities: *										
Water and sewer facilities	107,410,948	100,389,819	113,273,814	133,177,028	138,965,008	148,618,415	163,192,833	142,242,080	174,296,353	167,364,714
Hydro-electric plant	1,544,804	3,012,376	2,422,544	525,056	2,116,008	3,941,247	1,308,062	1,444,795	1,275,708	718,094
Stormwater	4,692,223	5,668,819	4,814,419	6,371,047	6,755,544	6,211,028	9,029,891	10,513,908	12,934,746	10,991,543
Parking facilities	6,330,524	6,162,449	7,678,876	7,300,521	7,424,017	8,138,572	8,886,953	7,750,072	7,853,666	7,555,164
Redevelopment programs	734,283	848,141	835,812	811,683	1,092,578	1,043,347	1,206,148	2,330,965	707,797	1,180,320
Parks and recreation camps	271,271	324,209	306,219	325,053	362,485	406,390	476,156	353,720	209,286	275,209
Total business-type expenses	120,984,053	116,405,813	129,331,684	148,510,388	156,715,640	168,358,999	184,100,043	164,635,540	197,277,556	188,085,044
Total primary government expenses	\$ 279,505,329	\$ 276,166,629	\$ 294,987,316	\$ 333,628,344	\$ 345,425,566	\$ 364,413,099	\$ 383,395,543	\$ 368,114,850	\$ 400,975,747	\$ 393,120,486
Program revenues										
Governmental Activities * **										
Charges for services										
General government	\$ 940,028	\$ 758,177	\$ 726,487	\$ 810,592	\$ 40,714,948	\$ 41,914,647	\$ 42,512,489	\$ 42,932,789	\$ 44,824,660	\$ 45,882,104
Finance	30,505,679	31,467,056	37,837,666	38,659,299	-	-	-	-	-	-
Community promotions	-	-	-	-	-	165,358	-	-	-	-
Tourism and community development	793,431	832,159	799,663	908,359	619,541	71,225	85,626	200,780	357,718	7,322
Public safety	21,387,115	22,040,936	22,811,461	23,078,568	47,392,478	48,314,997	47,734,678	56,722,229	52,690,415	53,542,994
Parks and recreation	728,247	818,304	822,319	779,008	833,501	876,137	880,984	608,012	225,924	537,830
Public services	247,570	344,718	258,211	169,512	615,441	596,340	728,323	839,825	556,079	642,409
General services	-	-	-	-	888,200	212,115	229,196	263,793	144,378	235,466
Operating grants and contributions	33,701,772	34,448,202	34,980,295	38,004,041	9,680,648	9,918,979	13,591,723	11,275,019	9,871,785	17,267,342
Capital grants and contributions	1,295,665	766,837	3,069,436	6,399,622	10,004,812	4,926,131	1,402,970	2,051,383	1,185,676	2,387,159
Total Governmental Activities Program Revenue	89,599,507	91,476,389	101,305,538	108,809,001	110,749,569	106,995,929	107,165,989	114,893,830	109,856,635	120,502,626
Business-type Activities *										
Charges for services										
Water and sewer facilities	121,723,711	116,644,423	119,716,789	133,482,271	137,198,161	133,114,566	147,913,149	158,583,218	158,205,156	177,729,161
Hydro-electric plant	2,731,475	4,843,922	3,037,971	54,435	151,890	993,569	-	-	-	-
Stormwater facilities	6,685,838	6,958,281	7,521,149	7,316,201	7,432,103	12,708,897	14,260,785	15,491,908	15,593,201	17,287,609
Parking facilities	6,864,323	6,495,064	7,145,520	7,365,470	8,250,439	8,450,211	8,719,441	7,280,010	6,681,542	8,667,720
Redevelopment programs	921,759	564,456	680,111	543,626	574,908	561,668	620,775	595,981	618,613	876,729
Parks and recreation camps	253,150	275,182	300,931	320,265	335,505	319,316	353,166	236,878	13,063	169,102
Operating grants and contributions	-	-	-	6,248,115	6,029,439	127,343	1,289,286	2,495,143	4,196,356	1,341,049
Capital grants and contributions	5,831,240	5,431,910	3,872,664	16,229,517	10,159,405	6,089,880	5,894,028	6,976,485	10,901,680	7,147,240
Total Business-type Activities Revenues	145,011,496	141,213,238	142,275,135	171,559,900	170,131,850	162,365,450	179,050,630	191,659,623	196,209,611	213,218,610
Total Primary Government Revenues	\$ 234,611,003	\$ 232,689,627	\$ 243,580,673	\$ 280,368,901	\$ 280,881,419	\$ 269,361,379	\$ 286,216,619	\$ 306,553,453	\$ 306,066,246	\$ 333,721,236
Net (expense) revenue										
Governmental activities	\$ (68,921,769)	\$ (68,284,427)	\$ (64,350,094)	\$ (76,308,955)	\$ (77,960,357)	\$ (89,058,171)	\$ (92,129,511)	\$ (88,585,480)	\$ (93,841,556)	\$ (84,532,816)
Business-type activities	24,027,443	24,807,425	12,943,451	23,049,512	13,416,210	(5,993,549)	(5,049,413)	27,024,083	(1,067,945)	25,133,566
Total Primary Government Net Expense	\$ (44,894,326)	\$ (43,477,002)	\$ (51,406,643)	\$ (53,259,443)	\$ (64,544,147)	\$ (95,051,720)	\$ (97,178,924)	\$ (61,561,397)	\$ (94,909,501)	\$ (59,399,250)

* Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue.

** 2017 and 2018 utility franchise revenue and business privilege license revenue have been reclassified to charges for services in order to conform to current year presentation.

(Continued)

Schedule 2 (Continued)
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Net Position (unaudited)

Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018 *	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
General property taxes	\$ 34,462,835	\$ 34,353,070	\$ 34,178,067	\$ 32,871,757	\$ 31,793,590	\$ 35,292,150	\$ 37,225,108	\$ 36,387,111	\$ 39,946,275	\$ 36,682,790
Local Option Sales Tax	15,781,749	16,465,463	16,385,254	18,152,618	20,946,748	20,811,587	20,775,337	21,070,529	23,900,908	25,051,931
Hospitality and admission taxes	-	-	-	-	11,990,432	12,287,708	12,716,579	11,175,818	11,733,436	13,502,823
Accommodations tax	-	-	-	-	2,496,308	2,753,342	2,944,112	2,456,870	1,950,190	3,083,993
Tourism development fee	-	-	-	-	3,911,428	4,080,751	3,924,883	3,481,978	2,604,061	4,149,233
Liquor permit fees	-	-	-	-	478,973	350,825	451,750	325,305	323,055	275,695
Sales tax	11,498,370	12,072,024	12,626,419	13,398,593	-	-	-	-	-	-
Motor fuel	3,566	1,381	3,348	3,054	-	-	-	-	-	-
State shared revenue	2,788,097	2,805,133	2,829,726	2,853,350	3,019,209	3,575,571	2,955,787	3,064,969	3,123,717	2,294,973
Investment income	26,022	89,001	163,175	227,683	(20,184)	267,877	2,289,589	1,519,336	213,778	(284,747)
Gain (loss) on sale of capital assets	-	-	-	-	-	-	134,786	77,101	267,285	175,813
Insurance recoveries	-	-	-	-	-	-	129,260	272,080	177,040	31,494
Other	188,511	109,361	254,447	222,106	-	-	535,077	745,452	272,947	167,013
Special items	-	-	-	-	2,592,856	-	-	-	-	-
Donation of capital assets	-	-	-	-	-	-	-	-	907,360	3,589,277
Transfers	9,739,875	9,031,340	8,889,857	9,566,317	6,758,489	8,036,037	7,083,089	12,381,577	11,335,508	10,024,329
Total Governmental Activities	<u>74,489,025</u>	<u>74,926,773</u>	<u>75,330,293</u>	<u>77,295,478</u>	<u>83,967,849</u>	<u>87,455,848</u>	<u>91,165,357</u>	<u>92,958,126</u>	<u>96,755,560</u>	<u>98,744,617</u>
Business-type Activities										
Investment income	231,513	1,158,475	1,226,558	2,511,346	1,193,414	1,992,506	8,496,571	8,011,044	800,707	(2,289,790)
Gain (loss) on sale of capital assets	10,922,099	322,133	103,766	377,079	-	-	139,086	17,990	124,325	302,117
Insurance recoveries	-	-	-	-	-	-	-	73,908	-	-
Transfers	(9,739,875)	(9,031,340)	(8,889,857)	(9,566,317)	(6,758,489)	(8,036,037)	(7,083,089)	(12,381,577)	(11,335,508)	(10,024,329)
Total Business-type Activities	<u>1,413,737</u>	<u>(7,550,732)</u>	<u>(7,559,533)</u>	<u>(6,677,892)</u>	<u>(5,565,075)</u>	<u>(6,043,531)</u>	<u>1,552,568</u>	<u>(4,278,635)</u>	<u>(10,410,476)</u>	<u>(12,012,002)</u>
Total Primary Government	<u>\$ 75,902,762</u>	<u>\$ 67,376,041</u>	<u>\$ 67,770,760</u>	<u>\$ 70,617,586</u>	<u>\$ 78,402,774</u>	<u>\$ 81,412,317</u>	<u>\$ 92,717,925</u>	<u>\$ 88,679,491</u>	<u>\$ 86,345,084</u>	<u>\$ 86,732,615</u>
Change in Net Position										
Governmental activities	\$ 5,567,256	\$ 6,642,346	\$ 10,980,199	\$ 986,523	\$ 6,007,492	\$ (1,602,323)	\$ (964,154)	\$ 4,372,646	\$ 2,914,004	\$ 14,211,801
Business-type activities	25,441,180	17,256,693	5,383,918	16,371,620	7,851,135	(12,037,080)	(3,496,845)	22,745,448	(11,478,421)	13,121,564
Total Primary Government	<u>\$ 31,008,436</u>	<u>\$ 23,899,039</u>	<u>\$ 16,364,117</u>	<u>\$ 17,358,143</u>	<u>\$ 13,858,627</u>	<u>\$ (13,639,403)</u>	<u>\$ (4,460,999)</u>	<u>\$ 27,118,094</u>	<u>\$ (8,564,417)</u>	<u>\$ 27,333,365</u>

* Year 2018 has been restated to correctly allocate OPEB expense and to correct errors in federal revenue.

See accompanying independent auditor's report.

Schedule 3
CITY OF COLUMBIA, SOUTH CAROLINA
Fund Balances - Governmental Funds (Unaudited)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017***	2018****	2019	2020	2021	2022
General Fund ****										
Nonspendable	\$ 298,252	\$ 233,945	\$ 696,389	\$ 433,224	\$ 445,780	\$ 436,052	\$ 684,418	\$ 1,093,509	\$ 858,471	\$ 764,861
Restricted	-	-	4,880,662	1,579,244	4,837,243	4,637,457	9,259,223	10,647,375	2,531,473	5,160,744
Committed	-	72,975	4,810,356	4,876,045	5,207,060	4,874,733	4,963,776	4,751,764	4,854,449	4,560,420
Assigned	2,159,860	3,627,442	3,654,109	3,603,701	4,054,048	2,205,351	9,160,058	1,517,616	124,308	3,780,922
Unassigned	22,380,727	25,059,965	22,352,224	19,412,644	15,076,661	20,947,063	17,428,534	29,895,222	41,855,330	41,463,199
Total general fund	<u>\$ 24,838,839</u>	<u>\$ 28,994,327</u>	<u>\$ 36,393,740</u>	<u>\$ 29,904,858</u>	<u>\$ 29,620,792</u>	<u>\$ 33,100,656</u>	<u>\$ 41,496,009</u>	<u>\$ 47,905,486</u>	<u>\$ 50,224,031</u>	<u>\$ 55,730,146</u>
County Services Fund										
Nonspendable	\$ 71,775	\$ 56,905	\$ 64,376	\$ 66,437	\$ 74,580	\$ 74,677	\$ 89,329	\$ 101,271	\$ 103,533	\$ 85,338
Assigned	1,704,488	2,089,901	-	-	-	-	-	-	-	-
Unassigned	-	-	(1,016,105)	(3,197,450)	(2,562,075)	(2,733,037)	(3,514,271)	(1,427,335)	(1,076,253)	(2,620,137)
Total county services fund	<u>\$ 1,776,263</u>	<u>\$ 2,146,806</u>	<u>\$ (951,729)</u>	<u>\$ (3,131,013)</u>	<u>\$ (2,487,495)</u>	<u>\$ (2,658,360)</u>	<u>\$ (3,424,942)</u>	<u>\$ (1,326,064)</u>	<u>\$ (972,720)</u>	<u>\$ (2,534,799)</u>
General Capital Projects Fund *****										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,804,899	\$ -
Miscellaneous Projects ***										
Restricted	\$ -	\$ -	\$ -	\$ 5,407,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds ****										
Nonspendable	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,038	\$ 5,048	\$ 5,064
Restricted	24,724,874	28,565,017	48,767,569	18,032,753	19,703,192	18,280,050	16,574,430	16,963,228	53,506,412	45,195,576
Assigned	12,603,593	12,668,482	16,570,606	13,198,560	17,971,311	13,088,926	9,911,402	11,672,845	9,483,508	17,193,686
Unassigned	(152,559)	-	-	-	-	-	-	(1,157,365)	(1,290,725)	(1,257,032)
Total all other governmental funds	<u>\$ 37,180,908</u>	<u>\$ 41,238,499</u>	<u>\$ 65,343,175</u>	<u>\$ 31,236,313</u>	<u>\$ 37,679,503</u>	<u>\$ 31,373,976</u>	<u>\$ 26,490,832</u>	<u>\$ 27,483,746</u>	<u>\$ 61,704,243</u>	<u>\$ 61,137,294</u>

*** The Miscellaneous Projects Fund became a major fund in fiscal year 2016 and was considered not to be a major fund in the other years presented above and was therefore included with All Other Governmental Funds.

**** The general fund and other governmental funds have been restated in 2018 to move the Capital City fund from the general fund to other governmental funds, and to correct an error in federal revenue.

***** The General Capital Projects Fund became a major fund in fiscal year 2021 and was considered not to be a major fund in the other years presented above and was therefore included with All Other Governmental Funds.

See accompanying independent auditor's report.

Schedule 4
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Fund Balances - Governmental Funds (unaudited)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018 *	2019	2020	2021	2022
Revenues: *										
General property taxes	\$ 50,644,107	\$ 50,884,644	\$ 50,563,321	\$ 51,024,375	\$ 31,689,159	\$ 35,322,061	\$ 36,648,599	\$ 37,503,057	\$ 38,472,357	\$ 36,678,086
Local option sales tax	-	-	-	-	20,946,748	20,811,587	20,775,337	21,070,529	23,900,908	25,051,931
Hospitality and admission taxes	11,498,370	12,072,024	12,626,419	13,398,593	11,990,432	12,287,708	12,716,579	11,175,818	11,733,436	13,502,823
Accommodations tax	-	-	-	-	2,496,308	2,753,342	2,944,112	2,456,870	1,950,190	3,083,993
Tourism development fee	-	-	-	-	3,911,428	4,080,751	3,924,883	3,481,978	2,604,061	4,149,233
Liquor permit fee	-	-	-	-	478,973	350,825	451,750	325,305	323,055	275,695
License and permits	30,505,429	31,466,856	37,837,446	38,659,049	26,580,332	27,889,578	28,404,652	28,997,482	30,183,111	29,409,618
Franchise fees	-	-	-	-	13,133,923	12,904,332	11,974,635	11,345,082	10,924,209	11,401,049
Intergovernmental revenue	13,540,185	14,380,520	15,682,389	15,970,472	19,529,145	19,124,990	16,623,178	21,557,013	17,973,492	18,002,983
Charges for services	11,983,172	12,692,387	12,622,954	12,579,623	13,134,829	13,179,834	13,379,462	15,714,840	15,539,956	16,398,275
Fines and forfeitures	1,230,219	1,334,420	1,237,153	941,713	1,262,355	1,477,142	1,045,043	735,862	807,620	347,065
Federal revenues	5,452,069	3,942,851	3,434,392	4,965,775	6,979,415	6,641,747	9,888,496	8,109,909	7,794,350	14,368,039
State revenues	380,553	1,010,674	3,381,680	1,074,349	35,593	291,930	1,360,090	168,045	243,352	10,000
County revenues	26,530,590	27,742,117	25,652,150	30,232,460	26,788,407	26,475,088	26,260,956	29,107,164	26,808,785	27,531,059
Promotions	89,314	78,047	121,928	109,255	733,355	35,000	33,000	30,000	-	-
Private grants	-	-	-	-	89,496	938,340	993,369	1,911,038	833,243	2,398,453
Confiscated funds	533,541	267,863	279,147	274,392	-	-	-	-	-	-
Investment income	26,386	89,104	163,266	227,762	(20,184)	267,877	790,822	644,040	99,960	-
Rental income	-	-	-	-	103,343	133,873	99,943	284,818	1,872,234	2,923,866
Other revenues	1,688,232	1,415,305	1,738,208	4,241,505	2,036,909	113,725	535,077	745,452	272,947	167,013
Total revenues	154,102,167	157,376,812	165,340,453	173,699,323	181,899,966	185,079,730	188,849,983	195,364,302	192,337,266	205,699,181
Expenditures:										
Current:										
General government	6,644,937	7,109,837	7,184,601	8,280,304	12,306,378	12,437,453	14,234,889	13,342,402	12,482,011	16,233,428
Judicial	2,494,267	2,481,917	2,539,958	2,601,829	3,334,061	3,358,803	3,025,420	3,179,221	3,127,814	3,480,385
Finance department	1,978,474	1,668,970	1,779,283	1,756,891	1,787,470	1,807,673	1,782,499	1,965,276	1,899,630	1,822,380
Planning and development	4,041,701	4,013,337	3,228,917	3,071,520	4,106,820	4,090,523	4,276,616	4,500,715	3,877,154	3,983,337
Public safety	73,409,740	76,120,091	78,340,960	85,837,873	85,707,105	92,212,995	92,621,598	96,762,036	95,733,738	102,312,738
Parks and recreation	9,486,586	10,075,127	10,525,782	11,367,618	11,631,927	12,209,569	12,751,899	12,377,366	11,580,933	12,422,863
Public services	20,561,911	17,476,210	16,958,389	19,979,648	15,413,189	17,162,014	18,305,617	20,666,285	17,723,361	18,767,494
General services	4,476,134	4,757,553	4,680,453	5,189,301	2,416,883	2,424,484	2,524,071	2,611,303	2,564,284	3,691,671
Tourism and community development	-	-	-	-	20,154,312	20,824,343	20,892,517	19,424,706	15,236,858	17,635,591
Community promotion	14,114,668	15,149,073	13,409,862	17,175,029	748,739	245,080	247,048	328,597	50,333	126,014
Nondepartmental	2,475,304	2,835,449	2,279,518	3,785,304	-	-	-	-	-	-
Other charges	11,079	-	-	-	-	-	-	-	-	-
Debt service:										
Principal payment on bonds	8,260,000	8,989,992	9,326,791	10,334,259	24,947,898	11,195,130	11,146,888	11,123,406	16,091,778	38,221,059
Interest payments on bonds	2,778,884	2,909,808	3,172,846	3,832,744	3,793,816	3,084,562	2,914,946	2,876,316	2,972,143	4,176,348
Fiscal agent charges	4,975	4,587	5,461	5,732	15,499	15,032	14,297	15,938	16,442	24,059
Debt issuance costs	550,421	243,479	904,310	580,569	129,500	-	-	44,500	1,800,616	3,823,435
Capital outlay:										
Capital outlay:	11,293,853	8,425,531	20,507,125	45,467,704	15,426,860	13,315,272	10,590,294	15,597,102	35,786,077	17,600,532
Total expenditures	162,582,934	162,260,961	174,844,256	219,266,325	201,920,457	194,382,933	195,328,599	204,815,169	220,943,172	244,321,334
Excess of revenues over (under) expenditures	(8,480,767)	(4,884,149)	(9,503,803)	(45,567,002)	(20,020,491)	(9,303,203)	(6,478,616)	(9,450,867)	(28,605,906)	(38,622,153)

* The general fund and other governmental funds have been restated in 2018 to move the Capital City fund from the general fund to other governmental funds, and to correct an error in federal revenue.

(Continued)

Schedule 4 (Continued)
CITY OF COLUMBIA, SOUTH CAROLINA
Changes in Fund Balances - Governmental Funds (unaudited)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017 **	2018 *	2019	2020	2021	2022
Other financing sources (uses):										
Transfers in	\$ 28,738,040	\$ 26,160,749	\$ 30,526,833	\$ 34,532,789	\$ 27,615,263	\$ 23,076,665	\$ 24,176,492	\$ 34,359,463	\$ 49,642,210	\$ 33,188,943
Transfers out	(24,286,578)	(21,206,734)	(29,926,951)	(38,628,587)	(31,893,386)	(21,156,513)	(23,265,656)	(29,262,923)	(46,275,622)	(32,719,992)
Issuance of bonds	6,375,000	7,315,000	26,175,000	10,645,000	1,460,000	-	-	4,200,000	64,425,000	29,900,000
Issuance of note payable	-	-	7,000,000	-	8,100,000	4,000,000	8,000,000	9,250,000	-	9,000,000
Premium on debt issued	401,659	816,175	3,747,839	1,707,916	-	-	-	-	-	-
Refunding bonds issued	24,260,000	-	-	6,260,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	(23,915,684)	-	-	(6,666,502)	-	-	-	-	-	-
Investment loss	-	-	-	-	-	-	-	-	-	(430,663)
Insurance recoveries	-	-	-	-	92,831	149,573	129,260	272,080	177,040	31,494
Proceeds from sale of general capital assets	225,883	382,589	386,636	348,987	167,063	236,949	184,147	133,516	334,563	224,559
Total other financing sources (uses)	<u>11,798,320</u>	<u>13,467,779</u>	<u>37,909,357</u>	<u>8,199,603</u>	<u>5,541,771</u>	<u>6,306,674</u>	<u>9,224,243</u>	<u>18,952,136</u>	<u>68,303,191</u>	<u>39,194,341</u>
Special items**										
Collections on capital leases	-	-	-	-	13,280,875	-	-	-	-	-
Rental income	-	-	-	-	2,592,856	-	-	-	-	-
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,873,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,317,553</u>	<u>\$ 8,583,630</u>	<u>\$ 28,405,554</u>	<u>\$ (37,367,399)</u>	<u>\$ 1,395,011</u>	<u>\$ (2,996,529)</u>	<u>\$ 2,745,627</u>	<u>\$ 9,501,269</u>	<u>\$ 39,697,285</u>	<u>\$ 572,188</u>
Debt service as a percentage of noncapital expenditures	<u>7%</u>	<u>8%</u>	<u>8%</u>	<u>8%</u>	<u>15%</u>	<u>8%</u>	<u>8%</u>	<u>7%</u>	<u>10%</u>	<u>19%</u>

* The general fund and other governmental funds have been restated in 2018 to move the Capital City fund from the general fund to other governmental funds, and to correct an error in federal revenue.

** The special items in 2017 included collections on capital leases and rental income, resulting from the early payoff of a capital lease receivable held by the City. This also resulted in increased principal payments for debt, causing debt service as a percentage of noncapital expenditures to be higher than usual.

See accompanying independent auditor's report.

Schedule 5

CITY OF COLUMBIA, SOUTH CAROLINA

Assessed Value and Estimated Actual Value of Taxable Property (unaudited)

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Real Property		Personal Property		Total		Assessed Value as a Percentage of Actual Value	Total Direct Rate
		Assessed Value	Estimated Actual Value	Assessed Value ¹	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2013	2012	\$ 400,610,960	\$ 8,131,722,177	\$ 110,571,977	\$ 1,297,785,551	\$ 511,182,937	\$ 9,429,507,728	5.42%	98.1
2014	2013	404,719,630	8,212,659,856	110,356,777	1,315,979,478	515,076,407	9,528,639,334	5.41%	98.1
2015	2014	394,221,790	7,949,097,129	117,043,195	1,709,777,055	511,264,985	9,658,874,184	5.29%	98.1
2016	2015	406,028,080	8,164,834,273	123,473,420	1,480,591,620	529,501,500	9,645,425,893	5.49%	96.1
2017	2016	414,181,670	8,319,747,629	122,245,699	1,472,158,558	536,427,369	9,791,906,187	5.48%	96.1
2018	2017	436,835,680	8,704,879,877	128,818,907	1,625,411,781	565,654,587	10,330,291,658	5.48%	98.1
2019	2018	451,617,910	9,033,830,822	127,188,740	1,501,121,493	578,806,650	10,534,952,315	5.49%	93.8
2020	2019	495,302,700	9,896,806,126	126,338,803	1,494,221,800	621,641,503	11,391,027,926	5.46%	93.8
2021	2020	510,063,250	10,182,570,412	125,786,682	1,501,828,037	635,849,932	11,684,398,449	5.44%	93.8
2022	2021	521,331,210	10,431,704,118	127,460,351	1,535,315,549	648,791,561	11,967,019,667	5.44%	93.8

Source: Richland County and Lexington County Auditor's office

Note: Neither Richland County nor Lexington County assess tax exempt property.
 Total assessed value based upon assessment ratios set by state statutes.
 Reassessment took place in 2014 for Richland County and 2015 for Lexington County.

¹ The total taxable assessed value does not include Merchant's Inventory Value of \$6,667,290; however, it is included in the value used to calculate the legal debt limit in Schedule 12.

See accompanying independent auditor's report.

Schedule 6
CITY OF COLUMBIA, SOUTH CAROLINA
Direct and Overlapping Property Tax Rates (unaudited)

Last Ten Fiscal Years
(Rate per \$1,000 of assessed value)

Year Ended June 30,	City Direct Millage	Overlapping Rates ¹				
		Counties		School Districts		
		Richland County	Lexington County	Richland County School District Number 1	Richland County School District Number 2	Richland/Lexington School District Number 5
2013	98.1	84.2	118.5	296.1	367.5	274.4
2014	98.1	111.5	122.1	301.7	385.5	281.8
2015	98.1	121.2	125.0	300.9	406.0	288.3
2016	96.1	123.1	124.0	309.0	412.0	304.0
2017	96.1	124.6	123.5	316.0	427.0	304.0
2018	98.1	128.8	125.4	332.8	439.6	309.4
2019	93.8	127.1	124.3	330.5	435.7	332.3
2020	93.8	125.9	126.0	330.5	435.7	321.5
2021	93.8	125.7	121.2	330.5	435.7	315.6
2022	93.8	125.7	121.2	330.5	435.7	315.6

Source: Richland County Auditor's office and Lexington County Auditor's office.

¹ Overlapping rates are those of county governments that apply to property owners with the City of Columbia. Not all overlapping rates apply to all City property owners (e.g. the rates for the counties and school districts apply only to the property owners whose property is located within the geographical boundaries of that county or school district). The majority of the property owners in the City of Columbia are within the geographical boundaries of Richland County and Richland County School District Number 1.

See accompanying independent auditor's report.

Schedule 7
CITY OF COLUMBIA, SOUTH CAROLINA
Principal Property Taxpayers (unaudited)

Current Year and Ten Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value ¹	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value ²	Rank	Percentage of Total Taxable Assessed Value
DOMINION ENERGY SOUTH CAROLINA (FORMERLY SCE&G)	\$18,915,720	1	2.92%	\$13,651,520	1	2.67%
SC TELECOMM GROUP HOLDINGS	3,984,080	2	0.61%			
GGP-COLUMBIANA TRUST	3,825,880	3	0.59%	2,964,320	5	0.58%
HPT SUNBELT PORTFOLIO LLC	3,380,830	4	0.52%			
SOUTH CAROLINA STUDENT HOUSING	3,360,000	5	0.52%			
CORE CAMPUS COLUMBIA LLC	2,982,910	6	0.46%			
EOSII AT 1221 MAIN STREET LLC	2,925,000	7	0.45%			
BELLSOUTH TELECOMMUNICATIONS LLC	2,255,990	8	0.35%	5,729,510	2	1.12%
HAMILTON CAPITOL CENTER LLC	2,186,600	9	0.34%			
CELLCO PARTNERSHIP	2,075,310	10	0.32%			
AT&T MOBILITY LLC				3,966,840	3	0.78%
BOTTLING GROUP LLLC				3,023,168	4	0.59%
UNUM GROUP				2,488,784	6	0.49%
ASSEMBLY STATION COLUMBIA LLC				2,398,800	7	0.47%
US REIF/MJW				2,181,610	8	0.43%
COLONIAL LIFE AND ACCIDENT				1,840,110	9	0.36%
MAIN & GERVAIS LLC				1,775,700	10	0.35%
	<u>\$ 45,892,320</u>		<u>7.08%</u>	<u>\$ 40,020,362</u>		<u>7.84%</u>

Source: The assessed valuations for the taxpayers listed above were provided by either Richland or Lexington County Assessor's Office.

¹ Total assessed valuation was \$648,791,561.

² Total assessed valuation was \$511,182,937.

See accompanying independent auditor's report.

Schedule 8
CITY OF COLUMBIA, SOUTH CAROLINA
Property Tax Levies and Collections (unaudited)

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 50,179,312	\$ 48,712,822	97.08%	\$ 1,058,584	\$ 49,771,406	99.19%
2014	50,554,312	49,826,060	98.56%	1,070,102	50,896,162	100.68%
2015	50,167,100	49,493,219	98.66%	1,094,527	50,587,746	100.84%
2016	50,915,070	48,401,467	95.06%	810,926	49,212,393	96.66%
2017	51,618,738	51,377,395	99.53%	730,382	52,107,777	100.95%
2018	55,511,331	56,037,355	100.95%	222,051	56,259,406	101.35%
2019	56,811,217	57,806,567	101.75%	249,109	58,055,676	102.19%
2020	58,686,301	57,530,400	98.03%	222,574	57,752,974	98.41%
2021	59,673,444	61,994,963	103.89%	719,760	62,714,723	105.10%
2022	60,882,331	59,963,974	98.49%	-	59,963,974	98.49%

Sources: Richland County Treasurer's Office and Lexington County Treasurer's Office
Neither Richland County nor Lexington County report delinquent collections by tax year.

See accompanying independent auditor's report.

Schedule 9
CITY OF COLUMBIA, SOUTH CAROLINA
Ratios of Outstanding Debt by Type (unaudited)

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ^{1 2}	Notes Payable	Finance Lease	Revenue Bonds ^{1 2}	Total Governmental Activities Debt
2013	\$ 33,848,474	\$ 5,424,142	\$ -	\$ 48,082,505	\$ 87,355,121
2014	37,494,897	5,229,142	-	43,580,000	86,304,039
2015	32,242,297	5,034,142	6,603,209	69,696,682	113,576,330
2016	39,021,630	4,804,142	5,630,642	65,712,446	115,168,860
2017	33,373,934	675,000	11,831,886	53,438,210	99,319,030
2018	27,678,432	600,000	13,666,757	49,718,975	91,664,164
2019	23,317,930	525,000	18,354,869	45,859,739	88,057,538
2020	20,117,428	450,000	23,251,463	46,105,503	89,924,394
2021	17,138,365	375,000	18,029,685	102,291,267	137,834,317
2022	14,487,546	300,000	21,663,626	98,970,000	135,421,172

¹ 2013 has been restated for the implementation of GASB 65

² Bond amounts include premiums

(Continued)

Schedule 9 (Continued)
CITY OF COLUMBIA, SOUTH CAROLINA
Ratios of Outstanding Debt by Type (unaudited)

Last Ten Fiscal Years

Fiscal Year	Other Business-Type Activities Debt		Total Business-type Activities	Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ³
	Revenue Bonds ^{1 4}					
2013	\$	435,639,889	\$ 435,639,889	\$ 522,995,010	11.23%	3,972
2014		505,105,688	505,105,688	591,409,727	12.50%	4,435
2015		493,735,898	493,735,898	607,312,228	12.19%	4,599
2016		482,521,108	482,521,108	597,689,968	11.61%	4,467
2017		549,199,566	549,199,566	648,518,596	11.77%	4,829
2018		633,127,517	633,127,517	724,791,681	13.09%	5,445
2019		660,982,094	660,982,094	749,039,632	12.35%	5,330
2020		792,533,382	792,533,382	882,457,776	14.53%	6,633
2021		818,568,076	818,568,076	956,402,393	17.02%	7,001
2022		795,381,246	795,381,246	930,802,418	20.54%	6,769

¹ 2013 has been restated for the implementation of GASB 65

² Personal income is disclosed on Schedule 17

³ Population is disclosed on Schedule 17

⁴ Bond amounts include premiums

Source for Personal Income: U.S. Department of Commerce, Bureau of Economic Analysis
 Population Data: U.S. Census

See accompanying independent auditor's report.

Schedule 10
CITY OF COLUMBIA, SOUTH CAROLINA
Ratios of General Bonded Debt Outstanding (unaudited)

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt			Percentage of Estimated Actual Taxable Value of Property ²	Per Capita ³
	Governmental Activities General Obligation Bonds ¹	Less: Amount Available in Debt Service Funds	Total		
2013	\$ 33,848,474	\$ 3,512,035	\$ 30,336,439	0.32%	230.37
2014	37,494,897	3,339,548	34,155,349	0.36%	256.12
2015	32,242,297	3,978,932	28,263,365	0.29%	214.01
2016	39,021,630	4,213,150	34,808,480	0.36%	260.15
2017	33,373,934	3,965,407	29,408,527	0.30%	218.96
2018	27,678,432	3,257,255	24,421,177	0.24%	183.46
2019	23,317,930	3,491,801	19,826,129	0.19%	141.07
2020	20,117,428	3,532,006	16,585,422	0.15%	124.67
2021	17,138,365	3,527,356	13,611,009	0.12%	99.62
2022	14,487,546	3,500,709	10,986,837	0.09%	79.73

¹ 2012 through 2013 have been restated for the implementation of GASB 65

² Estimated value of property is disclosed on Schedule 5

³ Population is disclosed on Schedule 17

See accompanying independent auditor's report.

Schedule 11
CITY OF COLUMBIA, SOUTH CAROLINA
Direct and Overlapping Governmental Activities Debt (unaudited)

June 30, 2022

Jurisdiction	Total Assessed Value	Assessed Value Within the City	Net Governmental Activities Debt Outstanding ¹	Percentage Applicable to the City	Estimated Amount Applicable to the City
Direct:					
City of Columbia	\$ 648,791,561	\$ 648,791,561	\$ 135,421,172	100.00%	<u>\$ 135,421,172</u>
Overlapping					
Counties:					
Richland County	1,820,832,806	621,843,291	115,680,000	34.15%	39,506,555
Lexington County	1,431,927,561	26,948,270	\$17,225,000	1.88%	324,167
School Districts:					
Lexington Richland SD 5	358,160,480	26,948,270	178,220,000	7.52%	13,409,410
Richland School District One	944,432,266	537,110,591	314,450,000	56.87%	178,831,698
Richland School District Two	636,356,923	60,086,320	486,975,000	9.44%	45,981,327
Special Districts:					
Airport District	1,820,832,806	621,843,291	4,135,000	34.15%	1,412,168
Riverbanks Park District	3,252,760,367	648,791,561	27,299,000	19.95%	<u>5,445,025</u>
Total Overlapping Debt					<u>284,910,350</u>
Total Direct and Overlapping Debt					<u><u>\$ 420,331,522</u></u>

Source: Richland County Treasurer, Lexington County Treasurer, Richland County Auditor and Lexington County Auditor

¹ The estimated amount of overlapping debt applicable to the City is determined by computing the percentage of property for each government that lies within the City. The resulting percentage is then multiplied by the amount of governmental activities debt of each government.

See accompanying independent auditor's report.

Schedule 12
CITY OF COLUMBIA, SOUTH CAROLINA
Legal Debt Margin (unaudited)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Net Debt Outstanding¹</u>	<u>Legal Debt Margin</u>	<u>Ratio of Net Debt Outstanding to the Debt Limit</u>
2013	\$ 41,428,018	\$ 33,515,000	\$ 7,913,018	80.90%
2014	41,564,012	35,680,000	5,884,012	85.84%
2015	41,434,582	30,665,000	10,769,582	74.01%
2016	42,893,503	36,025,000	6,868,503	83.99%
2017	43,447,573	33,710,000	9,737,573	77.59%
2018	45,785,750	25,345,000	20,440,750	55.36%
2019	46,837,915	21,315,000	25,522,915	45.51%
2020	50,264,703	18,445,000	31,819,703	36.70%
2021	51,401,378	15,760,000	35,641,378	30.66%
2022	52,436,708	13,335,000	39,101,708	25.43%

Source: Richland County Auditor's Office and Lexington County Auditor's Office

¹ Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for the Year Ended June 30, 2022:

Assessed value in Richland County	\$ 621,843,291
Assessed value in Lexington County	26,948,270
Subtotal	<u>648,791,561</u>
Business inventory 1987 assessed value	6,667,290
Total assessed value	<u>655,458,851</u>
	8.00%
Debt Limit	<u>52,436,708</u>
Net debt outstanding subject to the debt limit	<u>13,335,000</u>
Legal debt margin as of June 30, 2022	<u><u>\$ 39,101,708</u></u>

See accompanying independent auditor's report.

Schedule 13
CITY OF COLUMBIA, SOUTH CAROLINA
Governmental Revenue Bond ² Debt Coverage (unaudited)

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Debt Service Requirement			Debt Coverage
		Principal	Interest	Total	
2013	\$ 14,655,101	\$ 3,700,000	\$ 1,720,250	\$ 5,420,250	2.7
2014	15,260,239	3,225,000	848,193	4,073,193	3.7
2015	16,283,694	3,300,000	772,230	4,072,230	4.0
2016	17,432,339	3,465,000	1,701,448	5,166,448	3.4
2017	18,259,310	3,590,000	1,969,812	5,559,812	3.3
2018	18,538,153	3,730,000	1,886,578	5,616,578	3.3
2019	18,524,581	3,825,000	1,667,430	5,492,430	3.4
2020	16,882,093	3,910,000	1,820,334	5,730,334	2.9
2021	15,634,344	8,110,000	1,844,162	9,954,162	1.6
2022	13,502,823	1,450,000	1,560,419	3,010,419	4.5

¹ Allowable revenues hospitality fees and tourism development fees for FY2013-2021, and only hospitality fees for FY2022.

See accompanying independent auditor's report.

Schedule 14
CITY OF COLUMBIA, SOUTH CAROLINA
Water and Sewer Department
Schedule of Revenue Bond Coverage (unaudited)

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage	
				Principal	Interest ³	Net Swap Payments ⁴		
2013	\$ 121,878,086	\$ 74,400,785	\$ 47,477,301	\$ 6,465,000	\$ 17,047,580	\$ (828)	\$ 23,511,752	2.0
2014	117,924,265	66,189,697	51,734,568	8,810,000	18,790,180	(1,811)	27,598,369	1.9
2015	118,178,523	67,105,722	51,072,801	8,095,000	20,219,738	(7,406)	28,307,332	1.8
2016	140,727,628	80,492,473	60,235,155	8,750,000	19,684,734	(7,125)	28,427,609	2.1
2017	144,141,119	83,406,757	60,734,362	10,545,000	18,057,893	(8,750)	28,594,143	2.1
2018	138,857,358	85,542,830	53,314,528	11,705,000	21,160,319	(9,340)	32,855,979	1.6
2019	155,445,030	93,846,955	61,598,075	11,915,000	23,485,913	(20,017)	35,380,896	1.7
2020	165,611,844	90,997,453	74,614,391	13,775,000	22,231,540	112,047	36,118,587	2.1
2021	159,781,300	99,849,477	59,931,823	15,000,000	26,804,642	9,077	41,813,719	1.4
2022	176,140,041	96,220,850	79,919,191	18,505,000	24,404,939	8,515	42,918,454	1.9

¹ Represents total operating revenues as well as all nonoperating revenues and investment income.

² Represents total operating expenses less depreciation expense.

³ Includes interest rate swap fees.

⁴ The City has a pay fixed interest rate swap associated with the Series 2009 revenue bond.

See accompanying independent auditor's report.

**Schedule 15
CITY OF COLUMBIA, SOUTH CAROLINA
Parking Department
Schedule of Revenue Bond Coverage (unaudited)**

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest	Total	
2013	\$ 6,911,985	\$ 3,299,708	\$ 3,612,277	\$ 970,000	\$ 2,184,910	\$ 3,154,910	1.1
2014	6,592,455	3,073,503	3,518,952	1,030,000	2,128,167	3,158,167	1.1
2015	7,040,165	3,576,578	3,463,587	1,065,000	2,000,288	3,065,288	1.1
2016	5,602,137	1,909,118	3,693,019	1,115,000	1,698,549	2,813,549	1.3
2017	6,318,830	1,794,354	4,524,476	1,160,000	1,677,500	2,837,500	1.6
2018	7,007,449	2,910,530	4,096,919	1,160,000	1,636,240	2,796,240	1.5
2019	7,235,977	2,694,546	4,541,431	1,965,000	1,603,645	3,568,645	1.3
2020	6,437,240	3,559,717	2,877,523	1,185,000	1,521,959	2,706,959	1.1
2021	5,011,985	2,742,481	2,269,504	1,230,000	1,481,777	2,711,777	0.8
2022	7,191,138	2,976,521	4,214,617	1,375,000	1,439,033	2,814,033	1.5

¹ Represents total operating revenues as well as all nonoperating revenues and investment income less revenues from parking fines and late fees. Definition of allowable revenues was revised during fiscal year 2013.

² Definition of current operating expenses was revised during fiscal year 2013.

See accompanying independent auditor's report.

**Schedule 16
CITY OF COLUMBIA, SOUTH CAROLINA
Stormwater
Schedule of Revenue Bond Coverage (unaudited)**

Last Ten Fiscal Years

Fiscal Year	Allowable Revenues ¹	Current Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Revenue Bond Coverage
				Principal	Interest	Total	
2019 ³	\$ 16,445,612	\$ 5,827,782	\$ 10,617,830	\$ -	\$ -	\$ -	N/A
2020	16,863,289	7,314,110	9,549,179	430,000	2,062,986	2,492,986	3.8
2021	15,852,872	9,154,679	6,698,193	660,000	1,830,250	2,490,250	2.7
2022	16,884,201	7,258,926	9,625,275	685,000	1,803,850	2,488,850	3.9

¹ Represents total operating revenues as well as all nonoperating revenues and investment income.

² Represents total operating expenses less depreciation expense.

³ The Stormwater Facilities bonds did not have a balance prior to 2019.

See accompanying independent auditor's report.

Schedule 17
CITY OF COLUMBIA, SOUTH CAROLINA
Demographic and Economic Statistics (unaudited)

Last Ten Fiscal Years

<u>Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment³</u>	<u>Unemployment Rate⁴</u>
2013	131,686	\$ 4,655,100,100	\$ 35,350	24,166	8.00%
2014	133,358	4,730,608,334	35,473	24,171	5.50%
2015	132,067	4,980,378,637	37,711	24,320	6.30%
2016	133,803	5,147,267,607	38,469	24,326	6.50%
2017	134,309	5,510,026,725	41,025	23,978	4.20%
2018	133,114	5,536,344,374	41,591	24,075	3.20%
2019	140,541	6,066,873,888	43,168	23,782	3.70%
2020	131,674	6,012,629,862	45,663	23,386	7.80%
2021	136,632	5,620,493,952	41,136	22,207	3.10%
2022	137,541	6,735,520,311	48,971	22,151	2.90%

Source of data:

- ¹ U.S. Census Bureau
- ² U.S. Census Bureau
- ³ S.C. State Department of Education
- ⁴ S.C. Department of Employment and Workforce

See accompanying independent auditor's report.

**Schedule 18
CITY OF COLUMBIA, SOUTH CAROLINA
Principal Employers**

Current Year and Ten Years Ago

Employer	2022 ¹			2013		
	Employees	Rank	Percentage to Total City Employment ²	Employees	Rank	Percentage to Total City Employment
Prisma Health (Palmetto Health)	15,000	1	11.23%	9,000	1	7.35%
University of South Carolina	6,456	2	4.83%	5,997	3	4.90%
S.C. Department of Corrections	4,478	3	3.35%			
SC Department of Social Services	4,272	4	3.20%			
Richland One School District	4,265	5	3.19%	4,036	5	3.29%
SC Department of Transportation	4,004	6	3.00%	4,418	4	3.61%
S.C. Department of Mental Health	4,069	7	3.05%	3,798	6	3.10%
SC DHEC	3,023	8	2.26%	3,096	8	2.53%
City of Columbia	2,300	9	1.72%	2,150	10	1.76%
AT&T	2,100	10	1.57%	2,400	9	1.96%
Blue Cross Blue Shield of South Carolina				6,459	2	5.27%
Richland Two School District				3,300	7	2.69%

Source of data:

¹ Central SC Alliance

² 133,552 total workers were reported living in Columbia, South Carolina, per the 2010 PHC-T-40 Estimated Daytime Population and Employment - Residence Ratios: 2000, published by the US Census Bureau.

N/A Data not available

See accompanying independent auditor's report.

Schedule 19
CITY OF COLUMBIA, SOUTH CAROLINA
Full-Time Equivalent Employees By Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022
General government	101.00	105.00	104.25	97.25	99.25	105.75	111.65	111.65	111.65	116.00
Judicial	36.00	37.00	37.00	41.00	41.00	40.00	37.00	37.00	37.00	38.00
Finance	51.50	71.50	79.50	82.50	45.50	45.50	50.50	50.50	50.50	49.00
Procurement & Contracts	N/A	N/A	N/A	N/A	19.00	24.00	22.00	22.00	22.00	23.00
Customer Care	N/A	N/A	N/A	N/A	31.00	64.00	65.00	68.00	68.00	71.00
Development services and planning	63.00	63.00	43.00	43.00	42.00	43.00	43.00	43.00	43.00	41.00
Public safety	770.00	770.50	792.50	797.50	807.00	810.00	812.00	812.00	812.00	787.00
Parks and recreation	149.00	149.00	149.00	149.00	152.00	164.00	167.00	167.00	167.00	153.00
Public works	269.00	268.00	269.00	269.00	275.00	272.00	275.00	275.00	275.00	242.00
General services	14.00	14.00	17.00	17.00	17.00	17.00	16.00	16.00	16.00	29.00
Fleet services	46.00	48.00	48.00	48.00	48.00	51.00	53.00	53.00	53.00	43.00
Risk Management	2.00	2.00	2.00	6.00	6.00	7.00	5.00	5.00	5.00	4.00
County fire	235.50	235.50	235.50	235.50	235.00	247.00	252.00	252.00	252.00	252.00
County emergency communications	45.50	45.00	45.00	45.00	48.00	48.00	48.00	48.00	48.00	48.00
Economic & Community development	36.50	41.50	44.50	44.50	44.50	48.00	47.50	47.50	47.50	47.00
Parking	42.00	43.00	44.25	41.25	45.25	50.68	40.25	40.25	40.25	38.00
Utilities & Engineering	519.00	504.00	504.50	504.50	543.50	543.50	573.00	576.00	576.00	472.00
Summer Programs	24.50	23.50	23.50	23.50	23.75	28.00	33.00	33.00	33.00	56.00
Total	2,404.50	2,420.50	2,438.50	2,444.50	2,522.75	2,608.43	2,650.90	2,656.90	2,656.90	2,509.00

Years 2013-2014 have been re-stated to reflect budgeted positions.

¹ Prior to 2017, Procurement and Contracts and Customer Care full-time equivalent employees were included with Finance.

*No new positions were added due to COVID-19.

See accompanying independent auditor's report.

Schedule 20
 CITY OF COLUMBIA, SOUTH CAROLINA
 Operating Indicators By Function/Program

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police physical arrests	10,652	5,301	5,658	5,230	4,453	5,134	5,034	5,261	3,310	2,768
Citations written	33,111	37,307	32,497	24,288	23,436	25,655	22,952	17,556	11,013	10,112
911 call volume	1,317,008	1,222,436	1,096,117	1,122,002	1,205,005	1,106,060	998,183	1,033,471	1,215,917	1,204,334
Fire calls answered	31,240	35,785	34,500	40,374	34,926	33,529	35,394	33,209	33,383	40,749
Number of inspections	6,261	5,292	6,482	4,618	6,825	5,494	6,552	2,854	2,509	4,766
Sanitation										
Refuse collected (in tons)	43,157	51,106	43,924	47,370	45,344	33,837	42,869	43,549	52,888	48,395
Recyclables collected (in tons)	3,867	4,591	4,021	5,672	5,805	5,624	5,494	5,812	5,312	5,338
Fleet Management										
Fleet maintained	2,802	2,893	3,005	3,165	3,298	3,075	3,581	3,115	2,934	3,007
Fleet workdays	12,608	12,052	12,048	12,587	12,466	11,037	12,160	9,344	9,286	10,707
Streets and highways										
Potholes repaired	1,231	1,453	1,598	1,361	805	843	835	254	105	230
Water										
Number of service connections	137,701	140,009	139,990	140,908	143,472	145,304	145,466	151,023	159,224	151,194
Average daily consumption (in millions of gallons)	44.000	45.800	44.900	45.200	45.100	44.400	45.500	46.449	45.431	51.788
Sewer										
Number of service connections	67,698 ¹	60,239	59,677	60,777	61,352	62,117	62,280	62,558	63,383	65,095
Average daily treatment (in millions of gallons)	16.900	18.900	18.200	32.700	20.200	19.230	20.100	34.574	18.356	21.546
Economic development										
Permits issued	4,950	4,262	5,438	7,675	5,892	6,990	5,836	5,536	5,190	5,865
Building inspections	15,735	14,514	10,025	11,355	10,231	11,265	11,986	11,192	11,863	15,008

¹ During the year ended June 30, 2013, the City of Columbia sold a portion of its sewer system to a private contractor.

Source: Various City departments

See accompanying independent auditor's report.

Schedule 21
CITY OF COLUMBIA, SOUTH CAROLINA
Capital Asset Statistics By Function

Last Ten Fiscal Years

Function/Program	Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Police stations	10	12	13	13	13	13	17	17	17	16
Patrol units	205	238	296	264	323	311	328	353	346	363
Vehicles	358	395	483	449	523	522	554	235	239	232
Fire										
Fire stations	12	12	12	12	12	12	12	12	12	12
Vehicles	251	270	270	283	315	299	314	331	306	313
Public works										
Vehicles	600	600	626	640	684	673	672	651	621	662
Streets (miles)	275.00	275.00	275.00	195.00	194.20	198.00	201.00	201.00	201.00	207.00
Sidewalks (miles)	139.46	139.46	139.50	145.00	145.50	147.00	152.00	152.00	152.00	152.00
Traffic signals	364	364	331	356	356	356	414	414	414	415
Street lights	11,724	11,363	11,483	11,669	11,805	11,833	12,065	12,369	12,369	12,369
Parks and recreation										
Parks - acreage	600	600	600	600	600	600	625	642	662	662
Park facilities	60	60	60	60	60	60	60	60	61	61
Tennis courts	57	55	55	55	55	55	57	57	57	55
Swimming pools/splash pads	15	16	16	17	17	17	16	16	16	16
Playground	31	31	31	31	31	31	85	85	85	85
Parking										
Garages	9	8	8	8	8	8	8	9	9	11
Lots	5	4	5	5	5	5	5	8	8	12
Metered spaces	4,502	4,487	4,198	4,690	4,940	4,940	4,987	5,064	3,804	5,147
Stormwater										
Storm drains (miles)	254.00	254.00	366.00	356.32	356.35	360.79	362.48	362.74	420.88	484.27
Vehicles	63	64	68	66	68	67	72	74	67	79
Wastewater										
Sanitary sewer (miles)	1,059.00	1,077.00	1,109.00	1,125.53	1,135.27	1,142.05	1,160.62	1,163.74	1,181.98	1,188.87
Vehicles	300	277	278	287	282	273	300	320	284	292
Treatment plants	1	1	1	1	1	1	1	1	1	1
Solid Waste										
Vehicles	130	125	127	124	137	126	130	136	133	142
Water										
Water lines (miles)	2,250.00	2,301.00	2,356.00	2,403.50	2,425.15	2,438.01	2,459.84	2,480.75	2,510.91	2,583.86
Vehicles	291	285	298	318	334	338	362	361	356	364
Fire hydrants	5,450	4,300	4,390	4,494	4,546	4,593	4,602	4,611	4,768	5,334
Treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various City departments

Vehicle data includes both licensed and unlicensed vehicles as well as equipment

See accompanying independent auditor's report.

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

To the Honorable Mayor and City Council
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the City of Columbia, South Carolina (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Columbia, South Carolina's basic financial statements and issued our report thereon dated January 26, 2023. Our report includes a reference to other auditors who audited the financial statements of the Experience Columbia SC, as described in our report on the City of Columbia, South Carolina's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Scott and Company LLC

Columbia, South Carolina
January 26, 2023